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58TH ANNUAL REPORT
OF THE
INTERSTATE COMMERCE
COMMISSION



NOVEMBER 1, 1944



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1944

INTERSTATE COMMERCE COMMISSION

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W. P. BARTEL, *Secretary.*

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REPORT OF THE INTERSTATE COMMERCE COMMISSION

WASHINGTON, D. C., *November 2, 1944.*

To the Senate and House of Representatives:

The Interstate Commerce Commission has the honor to submit herewith its fifty-eighth annual report to the Congress. The period covered by this report extends from November 1, 1943, to October 31, 1944, except as otherwise noted.

A statement of appropriations and aggregate expenditures for the fiscal year ended June 30, 1944, is contained in appendix F to this report.

TRANSPORTATION UNDER WAR CONDITIONS

During the fiscal year just closed the war continued to exercise a dominating influence on the transportation situation. In our annual report for last year, attention was directed to the rather remarkable performance of the transportation system in carrying the war load. As was there indicated, not all the credit for the effective handling of the large traffic volume following Pearl Harbor was assignable to the transportation agencies. No such performance records could have been attained by the carriers without extensive and close cooperation of shippers, State and local governments, and various Federal Government agencies. That this cooperation was continued in an equal or greater degree is more or less implicit in the further successful handling of the war transport burden of the past year. It is true that in terms of equipment both the railways and the water carriers were slightly better off by the end of the calendar year 1943, and that there was a notable increase in pipe-line facilities long before the end of the past fiscal year. On the other hand, all indications point to the conclusion that the situation with regard to motor-transport facilities has not improved and probably has worsened.

Railways.—As was indicated in our last report, the position of the railways with regard to equipment improved only slightly in the calendar year 1942 over 1941. The equipment situation continued

tight throughout the calendar year 1943, and the increases of equipment units recorded were comparatively small. The total number of railway-owned freight cars of all classes increased only 0.61 of 1 percent, and even this slight increase was partially offset by the decline in the number of privately owned cars. The aggregate seating capacity of all class I railway and Pullman passenger cars showed an increase of less than 1.6 percent. In terms of motive power, the improvement was somewhat more than in terms of cars. Although the total locomotive units reported by all railways increased by only a little over 1.6 percent, aggregate tractive effort, as measured by the figures for the class I railways, rose by close to 3 percent. This latter figure compares with an increase of only 1.8 percent recorded between the end of 1941 and of 1942.

	1942	1943	Percent increase (+) or decrease (-)
1. Number of freight-carrying cars, all railways.....	1,773,666	1,784,406	+0.61
2. Number of freight cars privately owned.....	274,219	272,740	-0.54
3. Aggregate capacity all freight cars, class I line-haul and privately owned (thousands of tons).....	99,774	100,483	+0.71
4. Number of passenger-train cars all railways, all classes except Pullman.....	38,446	38,331	-0.30
5. Aggregate seating capacity, class I and Pullman.....	1,668,572	1,694,886	+1.58
6. Total locomotive units, all railways.....	44,671	45,406	+1.65
7. Aggregate tractive effort of locomotives, class I line-haul (thousands of pounds).....	2,186,493	2,250,563	+2.93

As measured by installations, the situation with regard to equipment continued to improve in the first 8 months of the calendar year 1944. In this period, there were large increases percentagewise in the installations of both freight cars and locomotives as compared with the increases in the corresponding 8 months of 1943.

The relatively slight increases in the equipment facilities of the railways in the calendar year 1943 were greatly exceeded by the relative improvement in railway performance. Tons of freight originated increased by nearly 4 percent in 1943 over 1942, and the number of passengers carried increased by more than 32 percent. Revenue ton-miles rose by nearly 14 percent and total passenger-miles by over 63 percent. The average freight-car load increased by 5.38 percent, the average number of passengers per car by 40.91, and per train by 50.4 percent. Still further improvement was recorded in the first half of the calendar year 1944. As shown below, all of the most common measurements of performance, except freight-car load, rose from 2 to as high as 18 percent over the corresponding months of 1943. The average load per freight car, however, declined by not quite 1.8 percent.

	All railways		Class I line-haul railways first half of 1944	
	1943	Percent 1943 over (+) or under (-) 1942	1944	Percent 1944 over (+) or under (-) 1943
Tons of revenue freight originated (thousands)	1,556,558	+3.88	¹ 343,155	¹ +3.63
Revenue ton-miles (thousands)	730,132,280	+13.91	368,733,820	+5.37
Ton-miles of revenue freight per car-mile ²	31.36	+5.38	30.84	-1.78
Ton-miles of revenue freight per train-mile	1,027.64	+8.42	1,059	+3.82
Average length of haul revenue freight (per road) ¹	469.07	+9.66	245.8	+2.03
Revenue ton-miles per mile of road	3,032,199	+14.94	1,619,463	+5.55
Number of revenue passengers carried (thousands)	887,675	+32.01	442,612	+5.57
Total passenger-miles (thousands)	87,924,994	+63.59	47,036,512	+18.75
Average journey per passenger (per road)	99.05	+23.92	106.3	+12.49
Average revenue passenger-miles per train-mile	188	+50.40	199.0	+14.24
Average revenue passenger-miles per car-mile (class I)	31	+40.91	32.3	+8.03
Revenue passenger-miles per mile of road (class I)	389,839	+64.91	289,962	+18.97

¹ January-March.

² This average is obtained by dividing the revenue ton-miles by the total loaded car-mile, the latter figure including some cars loaded with nonrevenue freight.

³ All railways as a system.

Motor carriers.—There is some difference of opinion with regard to the equipment situation in the motor-carrier industry. There have been shortages of new trucks, parts, and particularly tires. The heavy tire situation continues to be serious. It is rather generally understood that a considerable number of motortrucks have been laid up, although no definite figures are available. A decline in trucking facilities is indicated by the decrease in vehicle-miles for the class I motor carriers of property (those reporting gross operating revenue above \$100,000 per annum). Truck-miles and tractor-miles of carriers that reported to this Commission declined a little over 1 percent in 1943 under 1942 for common-carrier traffic, and in the first half of 1944 showed a decrease of 3.8 percent under the first half of 1943. For contract-carrier traffic, the decreases in the calendar year 1943 and the first half of 1944 were 13.1 and 3 percent, respectively, under the figures for the corresponding earlier periods. Despite these declines in vehicle-miles, the total common-carrier tons carried showed increases of 14.2 percent in 1943 over 1942 and 2.6 percent in the first half of 1944 over the first half of 1943. Contract-carrier tonnage fell off nearly 5 percent in the calendar year 1943, but increased somewhat in the first half of 1944 over the corresponding half of 1943. For contract-carrier and common-carrier traffic combined, the tonnage in the first half of 1944 increased 2.6 percent despite a decline in vehicle-miles of 3.7 percent in the first half of the year.

Estimates by the Office of Defense Transportation indicate an estimated scrappage of 1,000,000 passenger cars in 1942, 1.25 million

in 1943, and 1.5 million in 1944. The decline in the number of passenger automobiles, as well as rationing and tire shortages, has tended to swell the volume of motorbus as well as rail-passenger traffic. From 1942 to 1943, the number of intercity revenue passengers carried by identical class I intercity motor common carriers of passengers rose from, roughly, 350 to 515 million, or over 47 percent. Figures for the number of revenue passengers carried on intercity schedules by class I intercity motor common carriers of passengers showed an increase of over 7 percent in the first quarter of 1944 as compared with 1943.

Pipe lines.—As compared with other transport agencies, the pipe lines have shown by far the most striking increases in facilities. The "Big Inch" pipe line constructed by the Federal Government and having an annual average capacity of 300,000 barrels per day commenced through operations to the east coast in August 1943, although it had begun moving oil as far as Norris City in the early part of that year. The "Little Inch," averaging a daily capacity of roughly 180,000 barrels, went into full operation in March 1944. These two lines and others recently constructed have increased the daily pipeline capacity for transportation into the east coast area by approximately 650,000 barrels as compared with the pre-war period.

The movement of petroleum and petroleum products into Petroleum Administration for War District 1 rose from 15.5 million barrels in the first quarter of 1943 to 40 million in the fourth quarter and to 61 million in the second quarter of 1944. In the last half of 1943 and the first half of 1944, there was also a considerable improvement in tanker service into District 1. In each of the first two quarters of 1944 the movement of petroleum and petroleum products into this area by tanker was more than double that of the corresponding quarter of 1943. These two developments have combined to ease the pressure on petroleum tank cars. Rail movements of petroleum and petroleum products into Petroleum Administration for War District 1 have consequently fallen from nearly 162 million barrels in the first half of 1943 to a little over 131 million barrels in the first half of 1944, a decrease of 19 percent.

Water carriers.—As a result of Government action in requisitioning lake vessels for the Atlantic coast service, there was a rather sharp decline in both the number of registered vessels and gross registered tonnage on the Great Lakes in 1942. In 1943, new construction of lake vessels and the return to lake service of some of those requisitioned in the preceding year increased both the total number of vessels and the gross registered tonnage as compared with 1942. On the inland waterways, the number of vessels declined from 1942 to 1943, but there was some increase in the registered tonnage. For the inland waterways and Great Lakes combined, there was a decline

of 62 vessels but an increase of nearly 200,000 in the gross registered tonnage as compared with 1942.

Although the total carrying capacity of vessels on the Lakes and inland waterways, therefore, increased somewhat in 1943 as compared with 1942, these transport agencies failed to show an increase in transportation performance between the 2 years. Both tons originated and total ton-miles declined on the Great Lakes and on the inland waterways. The total combined decrease in originations was 6.71 percent and in ton-miles 4.65 percent.

TRAFFIC AND EARNINGS OF TRANSPORT AGENCIES

During the war period, the increase in both freight and passenger traffic was most rapid in the calendar year 1942. It continued upward but began to slacken in 1943, and remained at a high level in the first half of 1944. For the fiscal year ended June 30, 1944, the total operating revenues of all steam railways reached \$9,584,714,000, and for all the common carriers subject to our jurisdiction the total was \$12,542,870,000. The latter was 64.1 percent over the amount of the revenues of 1941 and 25.8 percent over 1942. The operating revenues by agencies of transport are given below.

*Operating revenues*¹

Class of carrier	12 months ended June 30, 1944		Year ended Dec. 31, 1943		Year ended Dec. 31, 1942
	Amount	Percent of calendar year 1942	Amount	Percent of calendar year 1942	Amount
	<i>Thousands</i>		<i>Thousan</i>		<i>Thousands</i>
Steam railways ²	\$9,584,714	124.6	\$9,288,264	120.8	\$7,691,255
Railway Express Agency ³	235,490	151.6	207,545	133.6	155,306
Pullman Co.....	129,941	130.4	124,911	125.3	99,682
Electric railways.....	99,878	147.7	99,411	147.0	67,623
Water lines.....	213,052	173.2	192,912	156.8	123,025
Pipe lines.....	298,120	121.7	276,652	112.9	245,061
Motor carriers of passengers.....	573,554	144.2	546,658	137.4	397,873
Motor carriers of property.....	1,408,121	118.5	1,373,241	115.5	1,188,664
Grand total.....	12,542,870	125.8	12,109,594	121.5	9,968,489

¹ Partly estimated for small carriers.

² Includes switching and terminal companies.

³ Excludes payments to others for express privileges.

⁴ Figures restated on the basis of more complete data.

The private car lines and freight forwarders reporting to us are not included above. For the companies making quarterly reports, the operating revenues of private car lines amounted to \$160,794,490 for the fiscal year 1944 and those of freight forwarders to \$38,220,149 for the same period.

The increase in traffic during the war is also shown by the statistics of ton-miles and passenger-miles as given in the following table covering all types of intercity transportation other than coastal and

intercoastal movements by water. The reduction in intercity motor-truck ton miles in 1943 compared with 1942 is in accordance with a report by the Public Roads Administration. Class I intercity motor carriers of property reporting to us increased their tons transported 11 percent in 1943 over 1942, with a reduction of 2.3 percent in truck-miles and tractor-miles operated. They do not report ton-miles currently. It is possible that there was a reduction in the average haul in 1943.

Volume of intercity traffic, public and private, by kinds of transportation

Agency	Ton-miles				Passenger-miles			
	1942 ¹	1943	Percent of annual total		1942 ¹	1943	Percent of annual total	
			1942	1943			1942	1943
1. Railways, steam, and electric, including express and mail.....	Millions 645,262	Millions 734,715	70.23	71.97	Millions 55,073	Millions 89,865	19.70	33.13
2. Highways:								
Motor carriers of passengers.....					21,515	30,679	7.70	11.31
Private automobiles.....					199,635	147,131	71.42	54.25
Motor carriers of property.....	50,207	48,199	5.47	4.72				
Total.....	50,207	48,199	5.47	4.72	221,150	177,810	79.12	65.56
3. Inland waterways, including Great Lakes.....	148,565	141,652	16.17	13.87	1,860	1,927	.67	.71
4. Pipe lines.....	74,730	96,257	8.13	9.43				
5. Airways (domestic revenue service) including express and mail.....	33	52	(²)	.01	1,418	1,632	.51	.60
Total.....	918,797	1,020,875	100.00	100.00	279,501	271,234	100.00	100.00

¹ Some of the 1942 figures as given in the 57th Annual Report have been revised.

² Less than 0.01 percent.

SOURCES:

1. Interstate Commerce Commission reports: Electric railway ton-miles and passenger-miles estimated on the basis of revenues. Mail ton-miles are for fiscal year ended June 30.

2. Highway ton-miles for 1943 estimated on the basis of the rate of change in ton-miles on main roads over 1942 as reported by Public Roads Administration, and does not include truck traffic classified as "rural to rural." Bus passenger-miles estimated from revenues compiled by "Bus Transportation" divided by 1.62 cents in 1943 and 1.65 cents in 1942. Passenger-miles of private automobiles in 1943 estimated on the basis of 1943 and 1942 rate of change, "Wartime changes in the Volume and Composition of Traffic on Rural Roads in the United States," Public Roads Administration.

3. Waterway ton-miles, Office of Chief of Engineers, U. S. Army. Water passenger-miles in 1943 estimated on the basis of the rate of change from 1942 in the number of passengers.

4. Estimated by converting barrel-miles reported to the Interstate Commerce Commission into ton-miles and allowing for nonreporting pipelines. Includes refined as well as crude oil with allowance for crude oil gathering lines.

5. "Annual Airline Statistics, Domestic Carriers," Civil Aeronautics Board.

In 1944 the freight ton-miles of class I railways were at a level over twice that of 1940, and the passenger miles at a level over four times that of 1940, as appears from the following figures:

Item	First 6 months		Ratio 1944 to 1940
	1940	1944	
Ton-miles (billions).....	172.9	368.7	2.13
Passenger-miles (millions).....	10,894	47,037	4.32
Total tons carried (millions).....	838	1,500	1.79
Number of passengers (millions).....	218	443	2.03

The smaller ratios for tons and passengers than for ton-miles and passenger-miles, respectively, is explained by the lengthening of the

average haul and average journey. The fact that in the war years freight cars moved a longer distance with one loading, and that shippers as an average put more freight into each car, and also that more passengers were carried per coach, helps to explain the ability of the rail lines to handle the greatly increased war traffic measured in ton-mile and passenger-mile units.

The large volume of traffic has meant a full utilization of the railroad plant and equipment, and as a consequence it has been possible to absorb increases in wage rates and material prices, pay high taxes, and to have left substantial net earnings. From the following condensed income account, it appears that the class I line-haul railways in the fiscal year 1944 collected revenues and other income amounting to \$9,553,000,000, out of which they paid for operating expenses, other than wages and salaries, but including operating rents and taxes, the sum of \$4,621,000,000, leaving \$4,932,000,000 for employees and investors. The shares of these two groups were \$3,525,000,000 and \$1,407,000,000, or 71.5 percent and 28.5 percent, respectively. The 71.5 percent represents sharp advance over the 62.4 percent for the calendar year 1942, and exceeds the 68.5 percent for the year 1940. Owing to increases in wage rates, there has been a more rapid increase in the pay roll than in the investors' share, i. e., income available for fixed charges, dividends, and surplus, which in the 5-year period was at a peak in 1942. Included in taxes is the amount of the pay-roll taxes which logically are an addition to wages. In 1943, this was \$211,303,000 and in the fiscal year 1944, \$228,726,000.

Condensed income account, class I line-haul railways

Account	12 months' period ended June 30, 1944	Calendar year 1943	Calendar year 1942	Calendar year 1941	Calendar year 1940
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Revenues and other income.....	\$9, 553	\$9, 256	\$7, 648	\$5, 524	\$4, 466
Cost of materials, depreciation, and other expenses except wages and salaries.....	2, 770	2, 505	2, 015	1, 603	1, 362
Taxes, including income and profits taxes.....	1, 851	1, 849	1, 199	547	396
Total deductions.....	4, 621	4, 354	3, 214	2, 150	1, 758
Remainder available for employees and investors.....	4, 932	4, 902	4, 434	3, 374	2, 708
Wages and salaries chargeable to operating expenses.....	3, 525	3, 340	2, 767	2, 198	1, 856
Investors' share:					
Fixed charges and other deductions before net income.....	671	689	765	676	662
Dividends.....	222	217	202	186	159
For reserves and surplus.....	514	656	700	314	31
Total.....	1, 407	1, 562	1, 667	1, 176	852
Percent—Wages and salaries.....	71. 5	68. 1	62. 4	65. 2	68. 5
Percent—Investors' share.....	28. 5	31. 9	37. 6	34. 8	31. 5

Although net income after provision for all taxes and fixed charges is what is finally left for the corporation to use for dividends, reserves, or surplus, the net income before deduction of income and profits taxes deserves attention as indicating the earning power of a railroad

with the existing rates, fares, expenses, and traffic volume. The net railway operating income, i. e., the income before allowance for fixed charges and the net income after such allowance are given below, both before and after the deduction of Federal income and excess-profits taxes:

Class I line-haul railways

Account	12 months' period ended June 30, 1944	Calendar year			
		1943	1942	1941	1940
Net railway operating income:	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Before provision for Federal income and excess-profits taxes.....	\$2,517	\$2,695	\$2,241	\$1,172	\$742
After provision for all taxes.....	1,199	1,360	1,485	998	682
Net income:					
Before provision for Federal income and excess-profits taxes.....	2,056	2,209	1,658	674	249
After provision for all taxes.....	738	874	902	500	189

In the calendar year 1943, the Federal income and profits taxes of these railways amounted to \$1,335,123,475, of which the excess-profits tax portion was \$885,359,690.

To these large net earnings the passenger-train services have contributed substantially during the war. For 1943, the freight-service operating ratio was 61.76 percent and for passenger service (including mail, express, milk, et cetera.) it was 64.77 percent:

Calendar year 1943

Item	Freight service	Passenger and allied services
Operating revenues.....	\$6,966,034,572	\$2,079,659,528
Operating expenses.....	4,302,471,365	1,346,933,993
Net railway operating income.....	1,080,023,172	279,790,325
Operating ratio.....	61.76	64.77

The expenses and net income totals in the foregoing tables are based on the financial reports as rendered, without adjustment for over-maintenance or under-maintenance charges. For the principal railways, the wear and tear caused by the heavy traffic since 1941 has not been made good by repairs and replacements. The extent of this cannot be stated at this time, but is under investigation. It is important to note, however, that the operating expenses have been increased by extra amortization accruals which provide funds for the replacement of much equipment (or reduction of debt), subjects discussed elsewhere in this report. Our regulations requiring depreciation accounting with respect to much of the fixed roadway property became effective January 1, 1943. Depreciation charges applicable to property of this character for 1943 amounted to \$105,355,364, but this total does not represent a corresponding increase over that for a

given pre-war period for the reason that certain charges for property retired were thereby excluded from operating expenses.

The various operating averages in 1944 in general are continuing to reflect the high degree of economy in the operation of cars and locomotives that was achieved in 1943, in comparison with the performance in the year 1940.

Operating averages, class I steam railways

Average	Seven months, January-July				
	1944	1943	1942	1941	1940
Freight net ton-miles per loaded car-mile	32.9	33.5	31.0	27.8	27.4
Freight car-miles per train-mile	52.9	51.5	51.5	50.1	49.1
Passenger miles per car-mile	32.3	30.5	21.0	15.4	13.5
Passenger car-miles per train-mile	9.62	9.22	8.24	7.74	7.40
Train-miles per train-hour:					
Freight train	15.7	15.4	16.1	16.7	16.8
Passenger train	34.8	34.7	36.1	36.1	35.8
Percent unserviceable:					
Freight cars	2.5	2.4	3.1	5.3	8.6
Locomotives:					
Yard switching	7.9	7.6	9.3	13.6	16.5
Road freight	12.3	11.7	13.9	21.6	25.6
Road passenger	13.0	11.9	15.0	20.8	22.4

¹ Six months' average.

Notwithstanding the shortage of man power, the railways since 1940 have been able to increase the number of persons employed slightly more than in proportion to the train-miles:

Class I line-haul railways

Period	Number of employees at middle of month	Number of train-miles
June 1944	1,447,328	95,926,000
June 1940	1,035,721	69,672,000
Percent of increase	39.7	37.7

In the same interval the number of man-hours paid for increased 57.6 percent. The percent of the man-hours paid for as overtime was 8.8 in June 1944 and 2.4 in June 1940. The number of female employees of railways according to the latest count (April 1944) was 112,063, compared with 82,106 in April 1943, an increase of 36.5 percent. In the two periods, females constituted respectively 7.94 and 6.09 percent of the total employment.

The 237 class I motor carriers of passengers from which we received reports in 1943 collected in that year \$444,127,529 in operating revenues, an increase of 34.2 percent over the 1942 revenues. Expenses increased 27.2 percent, and the net income before income taxes rose from \$106,332,042 in 1942 to \$159,655,645 in 1943, or 50.1 percent. After income taxes there was left in 1943, \$46,954,726 compared with \$36,901,839 in 1942. In the first quarter of 1944,

there has been a further increase in revenues, but a more rapid increase in expenses, with little change in the net income from that of the first quarter of 1943.

In 1943, the class I common carrier busses carried 750,278,945 intercity passengers compared with 884,654,619 passengers carried by class I steam railways, but the average bus journey is much shorter than the average rail journey.

The 1,091 class I intercity motor carriers of property reporting statistics in quarterly reports filed with us handled 91,237,730 tons of freight in 1943, an increase of 11.0 percent over the total for 1942. For the common-carrier traffic alone the increase was 14.2 percent. In the same period steam railways increased their tons handled by 7.6 percent. In the first quarter of 1944, the increase in tons handled was 4.9 percent for the motor carriers and 3.6 percent for the steam railways. The freight revenue collected by the class I intercity motor carriers of property reporting to us was \$633,848,281 in 1943, or 9.3 percent of the railroad freight revenue, but this percentage should be increased substantially to cover all the intercity motor carriers. The class I intercity motor carriers of property reported a net income before income taxes in 1943 of \$20,354,026 and after income taxes, \$10,066,084. The latter compares with \$19,552,456 for 1942.

GOVERNMENT OPERATION OF CARRIERS

During the period covered by this report, the President of the United States, acting under authority vested in him by the Constitution and certain statutes, for the more effective exercise of his power as Commander in Chief of the Army and the Navy incident to the conduct of the war, issued 2 Executive orders under which the Federal Government took possession and assumed control of certain carriers. The first of these involved all common carriers by railroad and allied agencies and was of brief duration. The second covered 103 motor carriers and is still in effect. In both instances, the action was deemed necessary to prevent suspension of transportation service by the carriers affected because of strikes or threatened strikes.

Railroads.—Executive Order 9412, issued December 27, 1943, effective on the same date, brought under Government control all railroad carriers, including express and sleeping-car companies, except electric street and interurban railways. It was issued in anticipation of a strike which had been called by the principal railroad employee organizations to commence December 30. All but three of those organizations, however, had rescinded their strike orders prior to issuance of the Executive order pending arbitration by the President of their wage disputes with the carriers.

By this order, the Secretary of War was directed to manage and operate or arrange for the management and operation of the carriers in

such manner as he deemed necessary. It was expressly provided that the operation should be in conformity with the Interstate Commerce Act and other applicable Federal and State laws. The Secretary was given broad powers to delegate and redelegate his authority, and these powers were extensively exercised through the Commanding General and Chief of Transportation of the Army Service Forces.

On January 14 and 17, 1944, the railroads reached agreements with the labor organizations in settlement of the disputes concerning wages, and increases in rates of pay retroactive to April 1, 1943, were agreed upon. Thereupon the Secretary of War, on January 18, issued an order terminating Government control of the railroads in accordance with the authority vested in him by the Executive order to take this action as soon as he determined that such control was no longer required to prevent interruption of transportation service.

Motor carriers.—By Executive Order 9462, dated August 11, 1944, the President directed the Director of the Office of Defense Transportation to take possession and assume control of, and to operate 103 motortruck lines engaged in transportation in Minnesota, North Dakota, South Dakota, Nebraska, Iowa, Kansas, Missouri, and parts of Wisconsin and Oklahoma. For about a week prior to issuance of this order, the service of these carriers had been seriously curtailed by a strike of their drivers and other employees precipitated by the failure of the carriers to effect a wage increase ordered by the National War Labor Board February 7, 1943.

Eight of the carriers covered by this order have been released from the application thereof, but the others have been operated by a Federal manager, appointed by the Director of the Office of Defense Transportation since August 12. The carriers affected have a combined traffic of 5,000,000 tons of freight per year, largely war material and aggregate annual revenues of approximately \$50,000,000.

At the beginning of Government control the employees of these carriers received the increase in pay granted by the War Labor Board with a promise of an increase retroactive to November 16, 1943, payable only out of the future net operating revenue of each carrier. In a recent communication to us from the Director of the Office of Defense Transportation, it was stated that many of these carriers were in a precarious financial condition because of increased costs and shortages of necessary supplies and labor, and that their continued operation was threatened. To keep them in operation it was necessary for the Federal manager to advance a substantial sum of money, and further financial assistance from the Government was said to be necessary unless their revenues from transportation were increased.

Toledo, Peoria & Western R.—This railroad remains under the control and operation of the Office of Defense Transportation. (See 1942 Annual Report, p. 5.)

INVESTIGATIONS

Reports have been published in the following investigations instituted on our own motion:

Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services. (*Standard Oil Co. of Louisiana, Terminal Allowance*, 256 I. C. C. 5; *Red River Lbr. Co. Terminal Allowances*, 256 I. C. C. 379.)

Ex Parte No. 137, *Contracts for Protective Service*, 256 I. C. C. 196; 454.

Ex Parte No. 148, *Increased Railway Rates, Fares and Charges*, 256 I. C. C. 502; 258 I. C. C. 455.

Ex Parte No. 157, *Application of Part III to Transportation by Small Craft*, 260 I. C. C. 155.

Ex Parte No. 158, *In Re Competitive Bidding in the Sale of Securities*, 257 I. C. C. 129.

No. 28515, *Allowances for Privately Owned Tank Cars*, 258 I. C. C. 371.

No. 28896, *Forwarder Rates Conditioned upon Aggregates of Tonnage*. Mimeographed, June 16, 1944.

No. 28974, *Interstate Commutation Fares—Chicago, Ill., District*. Mimeographed, July 26, 1944.

No. 28991, *Passenger Fares Between D. C. and Nearby Virginia*, 256 I. C. C. 769, 258 I. C. C. 559.

The following investigations were discontinued:

No. 28814, *Storage in Transit of Imported Chiclé*.

No. 28972, *Interstate Commutation Fares—New England*.

No. 28973, *Interstate Commutation Fares—New York*.

No. 28975, *Interstate Commutation Fares—Philadelphia, Pa.—Camden, N. J., District*.

No. 29006, *Export Rates to Pacific Coast Ports*.

Other investigations are pending, some of the more important of which are the following:

Ex Parte No. 127, *Status of Public Stockyard Companies*.

Ex Parte No. 128, *Investigation of South Buffalo Railway Co.*

Ex Parte No. 155, *Ownership of Stock in Freight Forwarders*.

Ex Parte No. 159, *Freight Forwarder Insurance Regulations*.

No. 20769, *Charges for Protective Service to Perishable Freight*.

No. 26570, *Reduced Pipe Line Rates and Gathering Charges*.

No. 26712, *Rail and Barge Joint Rates*.

No. 28190, *New Automobiles in Interstate Commerce*.

No. 28300, *Class Rate Investigation, 1939*.

No. 28310, *Consolidated Freight Classification*.

No. MC-C-150, *Motor Freight Classification*.

No. MC-C-200, *Motor Carrier Class Rates Investigation*.

No. 28825, *Bituminous Coal Rates from Ohio River Points to Youngstown, Ohio*.

No. 28897, *Proportional Rates of Freight Forwarders*.

No. 28990, *Bills of Lading of Freight Forwarders*.

No. 29085, *Control of Chesapeake and Ohio Ry. Co., New York, Chicago and St. Louis R. R. Co., and Pere Marquette Ry. Co., by Alleghany Corporation*.

No. 29140, *Accounting for Post Driving to Arrest Water Pockets and Mud Heaves*.

No. 29145, *Status of the Tulsa Union Depot Co.*

No. 29146, *Storage-in-Transit of Imported Tea*.

No. 29193, *Transit on Scrap Rubber*.

REDUCTION OF FUNDED DEBT AND FIXED INTEREST CHARGES

In 1943, class I line-haul railways and their lessors, excluding companies in receivership and trusteeship, reduced their long-term debt from \$9,471,283,194 to \$9,051,332,168, a decrease of \$419,951,026, or 4.43 percent. For line-haul railways alone, the reduction was \$404,415,156, or 5.28 percent, and for lessors \$15,535,870, or 0.86 percent. During the same period fixed-interest charges of solvent class I line-haul railways and of their lessors were \$19,150,053, or 5.39 percent, less than for the preceding year. Annual reports for the line-haul railways whose reduction of long-term debt is reflected in the comparison show 72 with decreases ranging from 0.01 percent to 82.37 percent, 11 with no changes, 10 with increases,¹ and 8 with no long-term debt.² A list of line-haul railways with reductions of 4 percent or more is set forth below:

Companies: ³	Percentage of reduction
Alabama Great Southern R. Co.....	19. 03
Ann Arbor R. Co.....	41. 801
Atchison, Topeka & Santa Fe Ry. Co.....	11. 83
Atlantic Coast Line R. Co.....	4. 89
Baltimore & Ohio R. Co.....	7. 58
Bangor & Aroostook R. Co.....	11. 82
Boston & Maine R. R.....	4. 08
Cambria & Indiana R. Co.....	23. 02
Chesapeake & Ohio Ry. Co.....	4. 17
Chicago & Illinois Midland Ry. Co.....	7. 76
Chicago, Burlington & Quincy R. Co.....	8. 05
Chicago Great Western Ry. Co.....	4. 8
Delaware & Hudson R. Corp.....	12. 76
Detroit & Mackinac Ry. Co.....	19. 13
Detroit, Toledo & Ironton R. Co.....	4. 90
Duluth, Missabe & Iron Range Ry. Co.....	5. 66
Erie R. Co.....	5. 38
Great Northern Ry. Co.....	7. 39
Gulf & Ship Island R. Co.....	⁴ 82. 37
Gulf, Mobile & Ohio R. Co.....	8. 86
Illinois Central R. Co.....	11. 81
Lehigh & New England R. Co.....	12. 56
Louisville & Nashville R. Co.....	5. 28
Midland Valley R. Co.....	26. 40
Missouri-Kansas-Texas R. Co. and controlled companies.....	14. 63
Montour R.....	20. 71
Nashville, Chattanooga & St. Louis Ry.....	9. 77
New York Central R. Co.....	4. 09
New York, Chicago & St. Louis R. Co.....	5. 70
Norfolk Southern Ry. Co.....	7. 30

¹ Includes one line-haul railway which had no long-term debt at the beginning of the year.

² Includes one line-haul railway which retired its long-term debt during the year.

³ Excluding companies in receivership or trusteeship and those showing a reduction only in equipment obligations or miscellaneous obligations.

⁴ Large percentage due chiefly to adjustment of amount payable to affiliated company, the reduction in other long-term debt being only 11.27 percent.

Companies—Continued.		<i>Percentage of reduction</i>
Pere Marquette Ry. Co.....	-----	10. 27
Pittsburgh & West Virginia Ry. Co.....	-----	7. 42
Reading Co.....	-----	5. 16
Richmond, Fredericksburg & Potomac R. Co.....	-----	9. 29
Southern Pacific system.....	-----	⁵ 6. 34
Texas & Pacific Ry. Co.....	-----	7. 04
Wabash R. Co.....	-----	12. 08
Western Maryland Ry. Co.....	-----	4. 75
Wheeling & Lake Erie Ry. Co.....	-----	4. 51

The foregoing figures are the result of a comparison of annual reports for 1942 and 1943. This method, as pointed out in our last annual report, results in various overstatements and understatements of the change due to actual debt reduction. But, notwithstanding these qualifications, the totals and the percentages given may be taken as substantially correct. The figures do not include any increases or decreases in debt of nonreporting subsidiaries. The reduction in interest charges is due in part to the refunding of outstanding obligations at lower interest rates.

During the current year, a number of railways have taken advantage of call provisions in indentures to effect a reduction of their fixed-interest charges through the issue of securities bearing lower interest rates, or in both their funded debt and fixed-interest charges through the issue of such securities and the use of cash in their treasury. From October 1, 1943, to October 31, 1944, we authorized the nominal issue of \$1,948,300, the conditional issue of \$209,337,000, and the actual issue of \$778,158,905 bonds.⁶ Sinking funds were required or voluntarily provided for \$635,947,905 of the actual issues. Of the bonds actually issued, \$752,874,905 have provisions for their redemption prior to maturity. The actual issues include \$78,200,000 of serial bonds or notes which mature annually in from 1 to 29 installments. The issue of bonds with sinking fund and call provisions, and the issue of serial bonds, put the railways in position to continue the gradual reduction of their debt. In addition, these refunding operations have effected an immediate reduction of \$92,852,990 in annual interest charges. The amount of this reduction will increase as the serial bonds are retired.

As of October 31, 1944, we had approved plans of reorganization for 29 railroads which have required or will require the reduction of their long-term debt from \$3,175,609,000 to \$1,749,573,800, much of the latter being in the form of income bonds involving no fixed charges against income. Of these plans, 23, involving a reduction of long-term

⁵ Due in part to elimination of intercompany operating account balances, investment of parent companies in stocks and bonds of affiliated companies and the liabilities represented by these securities.

⁶ For the 12 months ended September 30, 1944 the respective issues were \$1,948,300, \$209,337,000, and \$765,129,905

debt from \$2,048,529,000 to \$1,119,568,000 have been approved by the district courts having jurisdiction in the proceedings. The reorganization proceeding involving the plan of the Florida East Coast Railway Company not included above, has been reopened upon disapproval by the court. Eighteen of the 23 plans have also been confirmed by the district courts. Should all plans approved by us be approved and confirmed by the courts, 29 of the 43 railroads which have filed petitions under section 77 proceedings not discontinued before reorganization will, through proceedings under that section, have their total debt, including unpaid interest, reduced from \$4,056,426,489 to \$1,749,573,800. Under the plans approved, obligatory fixed charges would be reduced from \$141,580,228 to \$39,120,559. Of this reduction, \$32,303,429 has already been effected, leaving \$70,156,240 to be realized. The provisions made in these plans for avoiding the necessity for funding capital expenditures and for retirement of the bonds issued in reorganization were noted in our fifty-sixth annual report.

COMPETITIVE BIDDING IN THE SALE OF RAILROAD SECURITIES

As pointed out in our last annual report, we were, at the time we submitted it, conducting a general investigation into the matter of competitive bidding in the sale of railroad securities issued under section 20a of the Interstate Commerce Act, Ex Parte No. 158. On May 8, 1944, we made a report in that proceeding, 257 I. C. C. 129, stating our conclusions, together with the requirement which railroads, applying after June 30, 1944, for authority to issue securities under the provisions of section 20a, would be expected to observe. We found that there are many situations in which it would be undesirable and even impracticable to sell railroad securities at competitive bidding; that any requirement that railroad securities be sold at competitive bidding should make provision for exemption of certain classes of securities and of particular issues upon a proper showing that competitive bidding is not the appropriate method of marketing such issues; and that, subject to such exemptions, the scope of mandatory competitive bidding should be expanded so as to cover interest-bearing obligations generally. Theretofore, as pointed out in our last annual report, we had required competitive bidding, or sale after invitation of bids from a number of prospective purchasers, only in the sale of equipment-trust certificates in respect of which we authorized carriers by railroad to assume obligation and liability under section 20a, and in the sale of certain terminal company bonds.

We concluded that for the proper administration, execution, and enforcement of section 20a, we should require, as a condition to our approval of the sale of railroad securities issued under the provisions of that section, that such securities be offered for sale at competitive bidding, or at what we had theretofore considered tantamount thereto,

viz, upon invitations for bids from the purchasers thereof; that proposals received in response to such invitations should be opened only at such time and place as is specified in the invitation; that the duly authorized representative of any person making such proposal should be permitted to be present at the opening of the proposals and to examine each proposal submitted; and that if the right were reserved in the advertisement or invitation for bids, the railroad proposing the issue might properly reject all bids and call for new bids, or seek such relief as the facts and circumstances might warrant. We further found that this requirement should apply to all classes of railroad securities, other than equipments, as to which no change in the existing practice is contemplated, except the following:

- (1) Common and preferred stocks;
- (2) Securities sold or otherwise issued pro rata to existing holders of securities of the issuing company pursuant to any preemptive right or privilege or in exchange for or extension of outstanding securities, or in connection with any liquidation, reorganization or financial adjustment;
- (3) Any note or other security maturing in not more than 3 years;
- (4) Securities sold or otherwise issued when the total issue does not exceed \$1,000,000, principal amount;
- (5) Securities of any railroad company issued in exchange for the securities or properties of any other railroad company acquired pursuant to authority granted under the provisions of section 5 (2) of the act, and any securities of such other company to be acquired by any other person pursuant to such authority;
- (6) Securities sold or otherwise issued to a railroad company by any of its subsidiary companies pursuant to authority granted under section 20a of the act where such securities are not to be sold by the parent company, but are to be held subject to our further order; and
- (7) Any securities as to which we shall find, upon due showing by a railroad company, either upon application under the provisions of section 20a or upon special application preliminary to the filing of such application under section 20a, that sale at competitive bidding should not be required.

In our report, we stated that applications under section 20a to sell securities without competitive bidding on the ground that such securities come within one of the specific exemptions should include a statement of facts relied upon to show that the exemption applies, and that special applications for exemption from the competitive bidding requirement might be made pursuant to such special instructions as might thereafter be issued. On June 1, 1944, we issued instructions governing special applications for exemption from the competitive-bidding requirement. To October 31, 1944, no application for exemption from the requirement had been made pursuant to these instructions. Only two requests for exemption have been made in applications under section 20a.

From July 1 to October 31, 1944, both inclusive, securities in the principal amount of \$240,429,000 in addition to \$62,135,866 of equipment obligations, and \$115,000,000 of terminal company bonds were sold at competitive bidding pursuant to our requirement. A table showing the results of the bond sales is given below:

Bond issues sold at competitive bidding.¹ Issues authorized under section 20a of the Interstate Commerce Act, as amended, from July 1 to Oct. 31, 1944, inclusive

Name of company, description of issue	Year due	Principal amount	Coupon rate	Date bids opened	Number of bids	Price to company	Interest cost	Price to public	Gross spread
Cincinnati Union Terminal Co., first mortgage bonds, series C	1974	\$24,000,000	2¾	Aug. 8, 1944	5	102.03	Percent 2.70	101.85	0.77
Chicago Union Station Co.:									
First mortgage bonds, series G	1963	37,800,000	2½	Aug. 23, 1944	3	100.639	2.83	101.5	0.861
Guaranteed serial notes	1954	6,200,000	0.90-2.05	do	4	Par	1.83	(²)	(²)
Kansas City Terminal Railway Co., first mortgage serial bonds	1948-1974	47,000,000	1.875-4.0	Aug. 30, 1944	3	Par	2.75	100.86	0.86
Great Northern Railway Co., general mortgage gold bonds:									
Series K	1960	35,000,000	3¼	Sept. 12, 1944	2	100.88	} 3.29	101.52	0.64
Series L	1970	30,000,000	3½	do	4	100.18		101.23	1.10
Series M	1980	35,000,000	3½	do	4	100.81		102.04	1.23
Oregon-Washington Railroad & Navigation Co., refunding mortgage bonds:									
Series A	1960	54,750,000	3	} Sept. 18, 1944	2	102.098	} 2.84	102.875	0.777
Series B	1960	17,444,000	3			102.098		(²)	(²)
Gulf, Mobile & Ohio Railroad Co., first and refunding mortgage bonds, series D									
Erie Railroad Co., first consolidated mortgage bonds, series E	1969	10,500,000	3¾	Sept. 19, 1944	2	97.20	3.93	98.75	1.55
Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Co., general mortgage bonds, series E	1964	13,000,000	3¼	Sept. 26, 1944	3	99.159	3.31	100.00	0.841
Cleveland & Pittsburgh Railroad Co., general and refunding mortgage bonds, series C	1975	23,735,000	3¾	Oct. 10, 1944	3	101.0201	3.32	102.00	0.9799
New York, Chicago & St. Louis Railroad Co., promissory notes	1974	11,000,000	3	do	4	100.45	2.97	100.75	2 0.30
	1945-1949	10,000,000	1.745	Oct. 13, 1944	3	Par	1.745	(²)	(²)

¹ Includes note issues.

² No public offering.

The market has been favorable for the sale of bonds of the type sold at competitive bidding. The results appear to have been satisfactory. In some instances there has been considerable spread between the price paid by the successful bidder and the price offered by the next highest bidder, indicating substantial savings to the issuing company. For example, the proceeds received by the Great Northern for its three issues exceeded by \$1,410,050 the amount which it would have received had it accepted the next highest bid. A comparison with yields of comparable bonds and consideration of the normal spreads resulting from privately negotiated sales leads us to believe that better prices for the bonds have resulted from their sale at competitive bidding.

AMORTIZATION

The railroads have continued to avail themselves of the privileges afforded by section 124 of the Internal Revenue Code (amortization deduction) which permits amortizing, over a period of 60 months, the cost of "emergency facilities" acquired in the interest of national defense. The amortization deduction is in lieu of the deduction for depreciation provided for in code section 23.

As of June 30, 1944, railroad facilities costing approximately \$900,000,000 had been duly certified as emergency facilities under section 124, of which amount about 90 percent was for equipment. For the first 6 months of 1944, the charges to operating expenses for amortization of the cost of these facilities were at the annual rate of \$180,000,000 or larger by \$149,220,000 than the normally applicable depreciation charges which are estimated to be approximately \$30,780,000.

It may be expected that the cost of the preponderance of these facilities will have been fully amortized by the close of 1947. Unquestionably, most of the property, and particularly the equipment, will be retained in service for the remainder of its normal life expectancy, long beyond the 5-year amortization period. Since, in lieu of normal depreciation charges of approximately \$30,780,000 per annum over its full lifetime period, the cost of the property will have been charged to operating expenses by amortization over the shorter 5-year period, further charges to operating expenses, beyond that period, for depreciation that otherwise would have been applicable, will not be permissible under our accounting regulations.

MAINTENANCE EXPENDITURES

During the first 6 months of 1944, expenditures of railroads for maintenance of way and structures and maintenance of equipment, exclusive of charges for depreciation and amortization, were at the annual rate of \$2,282,000,000. This figure is the largest in history.

It is 24 percent larger than the amount spent in 1929; 9 percent larger than in 1943; 37 percent larger than in 1942; and more than twice the average for the 8-year period 1934 to 1941. However, in terms of maintenance work performed, the effectiveness of current dollar expenditures has been substantially reduced by various factors, among which are generally higher costs of labor and materials; the payment of increased wages at overtime rates; the cost of uneconomical repairs to old equipment which must be retained in service because of inability to obtain replacements owing to priorities controls; the reduced efficiency of the maintenance labor resulting from the rapid turn-over and inexperience of the personnel, and the increased traffic density, resulting in greater loss of productive time due to passing trains. While these factors, considered individually, are indeterminate as to the extent of their influence, obviously they have reduced the effectiveness of the current year's expenditure when compared with that of prior years.

The expenditures of the past 3 years, large as they were, would have been considerably larger had it not been for the forced curtailment of certain maintenance work, particularly with respect to ties, rail, ballast, and track fastenings, made necessary because of labor shortages and the inability to obtain sufficient materials as a result of priorities controls.

By reason of the excessive wear and tear imposed on the properties by a record volume of traffic, this deferred maintenance has been accumulating at an accelerated rate. Based on studies recently made by our Bureau of Valuation with respect to the current consumption of railroad property service life, the present accumulation of deferred maintenance is estimated to be approximately \$300,000,000, including provision for inadequacy and obsolescence. This is at the rate of about 4 percent of the annual total maintenance expenses for the past 3 years, and equal to about 11 percent of the total maintenance expenses for 1944.

Since 1942, our accounting regulations have permitted charges for deferred maintenance to operating expenses and the creation of reserves therefor, conditional upon (1) our authorization based on application indicating the nature of the work for which the proposed reserve is intended, and (2) the establishment of a fund, in amount equal to the reserve, in the form of cash or United States Treasury securities. It is noteworthy that relatively few of the railroads have availed themselves of this provision and those only to the limited extent of reserves aggregating approximately \$28,000,000 as of July 31, 1944. That the railroads have not more generally availed themselves of the privilege is not in itself proof of the nonexistence of deferred maintenance. The reason for what appears to be reluctance on the part of the railroads to employ such reserves apparently rests in the fact that

charges to operating expenses for deferred maintenance are not recognized under the Internal Revenue Code as expenses actually paid or incurred and, therefore, are not deductible for income tax purposes.

PROBLEMS IN REGULATION OF WATER CARRIERS

As we near completion of the initial stages of our work under part III, and as the war draws nearer to an end, we find it possible and necessary to give greater attention to certain broad problems faced by water carriers, insofar as these problems permit of consideration from the standpoint of regulation.

As a step in this direction, we announced in April that we had undertaken a study of problems in the regulation of domestic water transportation, under the provisions of section 304 (b) of the act. As we have pointed out in earlier reports, a very substantial proportion of for-hire transportation by water is not subject to Federal regulation, except in respect of safety. As one phase of this study, we are endeavoring to determine the effects, whether harmful or otherwise, of the present exemptions on the functioning of the industry as a whole and on the national transportation system. If we find that removal or modification of the statutory exemptions, or any of them, is necessary in the public interest, appropriate recommendations will be made to the Congress. This study also embraces an analysis of the effects of the war on the industry, discussed presently, and of various special phases of the management and control of water carriers. Our staff has been assembling and analyzing information required for these purposes. As yet, no call has been made on carriers and others for information in their possession. We contemplate giving all who are interested an opportunity to express their views before any conclusions are reached or recommendations made.

That many water carriers subject to our jurisdiction face difficult problems in the rehabilitation of suspended operations and in effecting other adjustments in the early post-war years is clear. We have noted considerable concern on the part of the carriers as to some of these problems. It is our desire to assist in their solution, so far as may be appropriate and as our duties permit.

Other potentially difficult post-war problems include those resulting from the use by others, of new types of war-built watercraft in inland and coastal trades, and the increase in the level of labor, fuel, stores, rentals, and other operating costs. It is our duty under the act to consider, in the light of the evidence, wherein the public interest lies in these possible new types of operation. Some appear to contemplate a joining of land with water transportation. To the extent that the higher level of costs continues after the war, carriers will have to attain a greater degree of efficiency in their operations and

consider the kinds of rate adjustments needed to meet the rates of competing forms of transportation.

The work of our Bureau of Water Carriers and Freight Forwarders during the year is summarized at a later point in this report.

OPERATING AUTHORITIES

In our last annual report we set forth the history of the various provisions of the act under which we are assigned duties and responsibilities with respect to the issuance of operating authorities, and the requirements of these provisions governing the issuance of such authorities.

Railroads.—During the period covered by this report 72 applications for certificates have been filed by railroads. The disposition of these applications is shown on page 41.

Motor Carriers.—The large volume of work involved in the issuance of operating authorities to motor carriers and brokers under part II of the act is indicated in the table on pages 76 and 77 hereof. During the period covered by this report we have disposed of 7,560 applications, of which 4,527 were approved and 3,033 were denied, dismissed, or withdrawn. Since the enactment of part II, we have disposed of 131,023 applications, of which 41,282 were approved, and 89,741 were denied, dismissed, or withdrawn. The great majority of these applications were filed under the first provisos of sections 206 (a) and 209, which are generally known as the "grandfather" clauses. Operating authorities issued on such applications authorize continuance of the service actually performed by the applicant on and continuously since the critical date June 1, 1935, for common carriers, and July 1, 1935, for contract carriers. The great majority of motor carriers on the dates specified were engaged in performing a limited service for certain industries or certain communities, and their operating authorities were limited accordingly. This was in accord with the interpretation placed upon the act by the Supreme Court.⁷ Many such limited operations were or later became inefficient or uneconomic. A large number of such limited operations were sold by the owners thereof to other carriers having limited operating rights. This has resulted in a number of outstanding authorities, each authorizing certain unassociated operations which cannot readily be integrated into a single more efficient and economical operation without additional authority. In numerous cases we have granted such additional authority upon application and proof of public convenience and necessity.

For some time we have been engaged in a study of the limited operating authorities issued to motor carriers and of the classification of the commodities which they transport with the view to taking such

⁷ See Supreme Court decisions discussed in our 1942 annual report, pp. 82-85.

action as might be necessary to permit better integrated and more efficient and economical operations by such carriers. We have taken appropriate action in each instance in which the facts developed in our study indicated a need therefor. We have made temporary changes or modifications in some operating authorities under the emergency powers conferred on us by the Second War Powers Act. Our study soon disclosed that wide-spread modification of outstanding operating authorities was undesirable, and confirmed the view that numerous irregular-route carriers of specified commodities furnish a useful kind of motor transportation. In fact, a number of operating authorities limited to particular commodities have been issued on new applications and proof of public convenience and necessity. It is unlikely that all of the needs of the public could be fully and economically met by carriers authorized to transport general commodities, and the need for limited commodity operations will probably continue in the future.

Certificates have been issued authorizing transportation of passengers by motor vehicle over practically all of the main highways in the United States. Such certificates generally authorize transportation of baggage, newspapers, and express in the same vehicles with passengers. The holders of such certificates may transport groups of persons in charter service from all points on their routes to any place in the United States. In addition, a small number of motor carriers have been authorized to transport groups of persons in charter service or to furnish special bus service unconnected with regular route operation. Motor carriers of passengers hold about 7 percent of the operating authorities which we have issued.

Certificates have been issued authorizing transportation of property by motor vehicle in regular-route service over practically all of the main highways and between most of the communities in the country. Between the more important points, more than one carrier is authorized to furnish such service, in some cases there being more than a score of competing carriers. About 15 percent of the certificates issued to carriers of property authorize the transportation of all commodities, except explosives, household goods, dangerous or contaminating articles, and articles requiring use of special equipment. Generally, the holders of such certificates are authorized to furnish service between all points on their routes. Since the war, many of these carriers have obtained temporary authority to transport explosives.

About 15 percent of the property carriers are engaged in specialized service, such as transportation of household goods, tank-truck operation, and transportation of heavy machinery, et cetera. The authorities issued to such carriers generally provide for service within a designated territory without specifying the highways to be used.

Water carriers.—Most of the applications filed under the provisions

of part III of the act, for certificates or permits authorizing applicants to operate as common or contract carriers by water, have been determined. A summary of the certificates and permits issued, applications denied or dismissed, orders granting temporary authority, and applications now pending is shown on pages 101-102 of this report.

We have received relatively few applications seeking authority to institute new water-carrier operations, the vast majority of applications being for so-called "grandfather" authority to continue transportation in which the applicants were engaged on January 1, 1940, and continuously since, except for interruptions beyond their control. Many orders have been issued under section 311 (a) granting applications for temporary authority to provide service for which there was an immediate and urgent need to a point or points within a territory having no carrier service capable of meeting such need. Relatively few of the water carriers engaged in transportation subject to the Interstate Commerce Act are contract carriers; the great majority have been found to be common carriers. Many of the applications have been dismissed because the applicants perform exempt transportation only.

Carriers entitled to "grandfather" rights are authorized to continue the particular type of service they were offering during the critical period. Those operating ships in the coastwise and intercoastal trades have been authorized to operate by "self-propelled vessels." Those who were performing a barge-line service are authorized to continue to operate by "non-self-propelled vessels with the use of separate towing vessels." Thus, between points on the Atlantic coast, for example, carriers operating via the Atlantic Intracoastal Canal and those operating via the deep-sea or "outside route" are both permitted to continue their operations in the same manner as in the past, but the competitive balance is maintained. Likewise, carriers engaged in the performance of towage or the operation of sailing vessels or the performance of car-ferry service are specifically authorized to continue those types of operation. Some carriers transport both passengers and freight, some perform two or more different types of services, and they have been authorized to continue to do so.

In the contract-carrier field, a special type of operator defined as a contract carrier in section 302 (e) is a person who furnishes for compensation (under a charter, lease, or other agreement) a vessel, to a person other than a carrier subject to the act, to be used by the person to whom such vessel is furnished in the transportation of its own property. There are a number of such persons, most of whom during the "grandfather" period were engaged in furnishing vessels of a particular type without limitation as to the particular commodities to be transported or as to the points between which they might be used. They have been authorized to continue to do so.

In a number of instances, common carriers by water extended their services over uncompleted portions of waterway projects authorized by Congress, having previously operated over the completed portions thereof. Where a carrier so extended its services as soon as such uncompleted portions of waterways were opened for navigation, a certificate has been issued under section 309 (d), except in pending cases, authorizing it to do so.

Applicants who sought authority under the provisions of section 309 (c) or (g) to institute new operations have been required to meet the tests as to public convenience and necessity or consistency with the public interest and the national transportation policy declared in the act, as provided in those subsections. Most of the latter applications were assigned for hearings. Hearings have been or will be held in the "grandfather" cases where necessary to a proper development of the facts or where controversial issues are involved. However, in a large number of the latter cases our field examiners by checking the records of the carriers obtained all of the necessary facts, and the applications were disposed of without hearings.

Most of the applications which have not yet been determined cover operations of carriers on the Mississippi River system and the Gulf Intracoastal Waterway. The status of practically all of the carriers formerly operating on the Great Lakes and in the coastwise and intercoastal trades has been established, and certificates or permits have been issued to them authorizing performance of the services which they formerly offered. The common-carrier certificates are not restricted to the transportation of the particular commodities formerly carried, or to the specific points actually served, by the holders thereof. As a general rule, common carriers have been authorized to transport commodities generally and to serve all intermediate ports on the waterways traversed by them.

Freight forwarders.—Part IV of the act contains no "grandfather" clauses. Section 410 permits freight forwarders which were in operation May 16, 1942, to continue their operations unless and until we determine otherwise, where they filed with us applications for permits within 180 days of that date. However, to obtain a permit, all freight forwarders must show that their operations, or those which they propose to perform, are or will be consistent with the public interest.

One hundred and fifty-four applications were filed within the 180-day period, and 8 applications have been filed since the expiration of that period. We have disposed of all but 49. Final action on the latter will no doubt be taken before the end of the ensuing year. Certain freight forwarders are engaged in forwarding only 1 or 2 commodities, and others forward a particular class of commodities, but most are engaged in the forwarding of commodities generally.

Some specialize in export and import traffic, but the majority handle domestic traffic. A few freight forwarders specialize in the assembling, consolidation, and forwarding of small packages. The operations of some are confined to service between specific points, but the operations of others are Nation-wide.

In determining whether the authority sought by an applicant for a freight-forwarder permit is consistent with the public interest, considerable weight is given to the operations of the applicant in the past. In general, applicants have been issued permits which enable them to continue the services they formerly performed. In some instances, however, where it was shown to be consistent with the public interest, we have authorized them to expand their services to include the forwarding of general commodities or to serve points which they had not previously served. Multiple authority has not been granted to two or more freight forwarders under common ownership. Where a permit has been issued to the parent, the applications of the wholly owned subsidiaries have been denied.

INCREASED RAILWAY RATES, FARES, AND CHARGES, 1942

In our two preceding annual reports we described the above-entitled proceeding and reported the actions taken in our original report, 248 I. C. C. 545, and report on further hearing, 255 I. C. C. 357. On November 8, 1943, and May 12, 1944, we made supplemental reports, 256 I. C. C. 502 and 258 I. C. C. 455, in which we further suspended the operation of the freight-rate increases, the latter providing for their suspension to January 1, 1945.

Summarizing all of our previous actions in this proceeding: On March 2, 1942, upon petitions of the railroads and certain common carriers by water, increases were authorized in freight rates and charges and in standard and commutation passenger fares, in interstate commerce, for the period of the present war and 6 months thereafter. They became effective generally, as to passenger fares on February 10, 1942, and as to freight rates and charges on March 18, 1942. On further hearing early in 1943, we found as to freight rates and charges that the added revenue from the increases was no longer necessary, and that they were unreasonable to the extent of the increases; and the authority to continue the increases was suspended from May 15, 1943, until January 1, 1944. We revoked the authority to continue the increases in commutation fares, but did not require changes in standard passenger fares. Our supplemental report and order thereon of November 8, 1943, further suspended the increases in freight rates and charges until July 1, 1944.

The favorable trends of traffic and financial returns of the carriers' operations continued in the early months of 1944, and on April 17, 1944, we served an order upon all parties to the proceeding, as well as

upon each State, requiring the carriers to show cause why the suspension of the increases in freight rates and charges should not be extended for a further period of 6 months, or until January 1, 1945. Returns to that order were made by the railroads (except one), by certain water carriers, by various State officers and agencies, by an association of commissioners of regulatory bodies, and by a few shipper interests.

The railroads consented to a further suspension to January 1, 1945, with the reservation that their consent should not be taken as precluding or prejudicing any application they might find desirable to make seeking an increase in their general rate level prior to January 1, 1945. In their return the State authorities and their association urged the permanent cancelation of the increases in freight rates and charges. Reopening of the proceeding was sought by a national organization of trucking associations for the purpose of receiving evidence that less-than-carload traffic moving by rail fails to pay its proper share of railroad expenses and thereby unreasonably burdens other freight traffic, and causes impairment of the public service of other modes of transportation. Of the three returns on behalf of shippers, two advocated continuance and one suggested permanent cancelation of the suspended increases.

In our report of May 12, 1944, we found that "although petitioners' net railway operating income and net revenue from railway operations have shown a definite downward trend in recent months, the revenues received by the railroads from their present freight rates and charges under present conditions, and, so far as we can reasonably foresee, for the period to and including December 31, 1944, will meet the objectives of the national transportation policy as defined in the Interstate Commerce Act, and the standards of section 15a (2) of the act." By appropriate order the suspension was extended until January 1, 1945.

In September 1944, the National Association of Railroad and Utilities Commissioners and others petitioned us to issue a citation, directed to the applicant railroads and other interested parties, requiring returns showing cause why the increases in freight rates and charges under suspension should not be permanently canceled. On September 21, 1944, we reopened the proceeding for further hearing. The railroads then moved that we permit restoration on January 1, 1945, of the suspended increases, without prejudice to their right to make such further applications for increases in rates, fares, and charges as changes in circumstances and conditions may require.

The further hearing began on October 23, 1944, before three commissioners. Almost immediately after its conclusion we heard oral argument. We had previously notified each State of the reopening,

and invited and received the cooperation of a committee of eight State regulatory commissioners throughout this hearing and argument. The proceeding is now awaiting our decision.

CLASS RATE AND CLASSIFICATION INVESTIGATIONS

These proceedings have been described in preceding annual reports. In December 1943, a report proposed by the examiners in the classification proceeding, containing statements of the facts they believed essential and their recommended conclusions and findings, was served upon the parties. Exceptions were filed thereto in February 1944 by the parties, and some replies to them were made. No proposed report was served in the class-rate proceeding.

As the issues are interrelated, we heard oral argument in both proceedings together in June 1944. Because of the far-reaching importance of the matters in issue, and our wish to obtain all the light possible on the difficult and complicated questions presented, and in order to afford all parties the fullest opportunity to make their arguments, we devoted 9 days to hearing oral argument. A cooperating committee of three commissioners, members of a regulatory commission of a State in each freight-classification territory, sat with us at the argument, as it did throughout the several protracted hearings. Our reports in both proceedings are in course of preparation.

PROTECTIVE SERVICE AND CAR OWNING COMPANIES

Due to the continuance of the abnormal conditions referred to in our reports for the 2 preceding years, no action has yet been instituted for the development of data upon which to base rules, regulations, and practices with respect to the compensation to be paid and other terms of contracts, agreements, or arrangements for the use of locomotives, cars, or other vehicles not owned by the carrier using them, as contemplated by section 1 (14) (a) of the Interstate Commerce Act as amended by the Transportation Act of 1940. The two classes of cars most widely used by carriers not owning them, namely refrigerator cars and tank cars, are being used to their greatest practicable limits without regard to ownership. Approximately 24 percent of the refrigerator cars and 93 percent of the tank cars in active use are owned by persons other than railroads or railroad subsidiaries.

Since our last report, 12 contracts between common carriers by railroad and other persons for the furnishing to or on behalf of such carriers of protective service against heat or cold to property transported or to be transported in interstate or foreign commerce have been submitted to us and approved, in accordance with the provision of section 1 (14) (b) of the act as amended by the Transportation Act of 1940.

RATE BUREAUS AND CONFERENCES

On March 6, 1943, the Director of the Office of Defense Transportation, for himself and the War Department and Navy Department, requested the Chairman of the War Production Board to issue the certificate provided by section 12 of Public Law No. 603, Seventy-seventh Congress (56 Stat. 357). Such a certificate was issued by the Chairman of the Board, directed to the Attorney General, dated March 20, 1943, in terms as follows:

CERTIFICATE NO. 44

TO THE ATTORNEY GENERAL:

Pursuant to the provisions of section 12 of Public Law No. 603, Seventy-seventh Congress (56 Stat. 357) I hereby approve joint action by common carriers or freight forwarders, or their respective representatives, through rate bureaus, rate conferences, or other similar carrier or forwarder organizations, in the initiation and establishment of common carrier and freight forwarder rates, fares, and charges, and carrier and forwarder regulations and practices pertaining thereto; *Provided*, That such action is taken subject to and in compliance with certain regulations for rate conferences formulated by the Interstate Commerce Commission a copy of which is hereunto annexed, and made a part hereof; and after consultation with you, I hereby find and so certify to you that the doing of any act or thing, or the omission to do any act or thing, by any person in compliance with my approval herein expressed, is requisite to the prosecution of the war.

The regulations, as revised and promulgated by this Commission, are as follows:

Rule 1.—Definitions as used in these rules:

(a) The term "rate conference" means any two or more common carriers or any two or more freight forwarders who consult together, either directly or by employees or representatives, for the purpose of considering or agreeing upon rates to be charged by them, or of providing for the publication of tariffs containing such rates.

(b) The term "publishing agent" means a person or corporation controlled directly or indirectly by a rate conference which publishes and files freight or passenger tariffs.

(c) The term "rates" includes fares, charges, and classifications, and all rules, regulations, and practices affecting the charges made for the transportation of freight or passengers and services incidental to such transportation.

(d) The term "carrier" means a common carrier or a freight forwarder.

Rule 2.—Any carrier performing service of the type and within the territorial and organizational scope of a rate conference's rate activities shall be eligible for membership in such rate conference upon application and upon payment of charges applicable to other members of the same class. When a rate conference consists of two or more rate conferences or their representatives, eligibility for membership in any of the rate conferences shall be considered compliance with this rule.

Rule 3.—On or before April 15, 1943, each rate conference shall register with the Interstate Commerce Commission and shall file with the Commission a copy of its bylaws, the names and addresses of its officers and of the members of rate and other committees (except special or subcommittees created for temporary functioning), the rules of procedure followed by it, a copy of any agreement or

other document which in any way provides for, governs, or affects such procedure, and schedules of its charges to members or, where expenses are divided among the members, statements showing how the expenses are divided and, if a corporation, a copy of its articles of incorporation. A copy of each change in any of the above shall be filed within 30 days of the effective date of the change.

Rule 4.—A publishing agent, upon request of any member of the rate conference for which the publishing agent publishes rates and upon payment of the charges, if any, applicable to carriers of that class, shall include the member as a participating carrier in its agency tariffs and publish rates therein for the individual or joint account of such member, except that this shall not require the publishing agent to publish joint rates for the account of carriers who indicate their nonconcurrence therein.

Rule 5.—Each member of a rate conference may propose to such conference the initiation of or change in rates to be published in the tariffs of the publishing agent for application over the proponent's line or over the lines of other members of the conference performing the service for which the rates are proposed.

Rule 6.—No rule or practice of a rate conference shall prohibit any member from publishing or having published for his account any rate or rule after ninety days from the date the rate was proposed by him, except that, in the case of a joint rate, the publishing agent shall not publish the rate for application over the line of any carrier who does not join in the request for its publication.

Rule 7.—Membership in a rate conference shall not preclude a carrier, after rejection of the proposal or after 90 days from the date of the proposal, from filing individual tariffs or from participating in tariffs published by other carriers or other rate conferences. Upon the filing of such individual tariffs or upon participation in tariffs published by other carriers or other rate conferences, the rate conference or conferences in whose tariffs the earlier rates were published shall immediately provide for the removal of any conflicting or duplicating rates in its or their tariffs.

Rule 8.—No boycott or other means of coercion or intimidation shall be employed by a rate conference, directly or indirectly, to restrain a carrier, either a member or a nonmember, from taking independent action, consistent with these rules, to establish rates other than those approved by a rate conference.

Rule 9.—Each rate conference shall maintain accounts, records, and memoranda showing its assets, liabilities, income, and expenses; and shall maintain a file for each rate proposal which shall contain the rate proposal, all protests and memoranda submitted respecting the proposed rates, and minutes of any oral hearing which may be held. The accounts, records, memoranda, files, and all correspondence of a rate conference shall be open to inspection by duly authorized representatives of the Interstate Commerce Commission.

Rule 10.—These rules are subject to modification, change, and addition as the need therefor may be shown.

A large number of filings were made on or before April 15, 1943, as provided in rule 3, *supra*, and copies of numerous subsequent changes in the documents so filed have been received by the Commission. These documents are docketed and preserved as public records, open to inspection, at our offices.

There have been two important developments this year which are of significance in connection with the application of the Sherman Anti-trust Act to transportation agencies—a subject widely discussed in the past 2 or 3 years. The first of these was the acquittal by a jury

in the United States District Court at Denver, Colo., April 6, 1944, of the Middlewest Motor Freight Bureau of Kansas City Mo., and a number of other similar organizations as well as motor carriers and individuals, who had been indicted for conspiracy to violate the anti-trust statutes. The second was the filing of a complaint in the United States District Court at Lincoln, Nebr., by the Department of Justice, charging violations of sections 1 and 2 of the Sherman Act by the Association of American Railroads and certain railroad companies and individuals. It is prayed in this complaint, which has not as yet come to trial, that the Association of American Railroads and the Western Association of Railway Executives be dissolved.

The indictment above referred to was based in part at least on information which had come to our official knowledge and was referred by us to the Department of Justice. The outcome of the trial at Denver, however, suggests doubt as to the practical value of the Sherman Act in preventing reprehensible practices through joint action by carriers and their organizations. Rather it appears that a more effective administrative remedy could be devised by an amendment to the Interstate Commerce Act.

At the time of the indictment in Denver, the Department of Justice announced that the action made "no attack upon the conference method of rate-making but merely attacks the practices of certain rate bureaus in refusing to permit members independently to initiate and maintain rates on the transportation of freight by motor carriers in the fourteen-State area served by the defendant carriers and bureaus." Concerning the purpose of the complaint filed at Lincoln, the Department said:

The complaint filed today charges that a combination of private financial, industrial, and railroad interests have acted collusively to maintain non-competitive rates for transportation and to prevent and retard improvements in the services and facilities of railroads for the western part of the United States. It also charges that the defendants have retarded and suppressed the development and growth of the motor carriers and other forms of transportation competitive with the railroads in the western area.

Until about 5 years ago, the view was rather generally held that for all wrongs for which the parties are afforded a remedy by terms of the Interstate Commerce Act, to that extent the Interstate Commerce Act supersedes the antitrust laws.

While such a view perhaps requires qualification in the light of more recent court decisions, it is supported to some extent by the evident disposition on the part of Congress to negative the application of the antitrust laws to certain transactions of carriers subjected to regulation under the Interstate Commerce Act, section 5 (11) of which affords an example. Also it is significant that the statement

of National Transportation Policy added to that act in 1940 contains the following:

* * * to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; * * *

In our opinion, there is danger that undue breadth in interpreting and applying the Sherman Act would interfere with carrying out the stated policy against "unfair or destructive competitive practices." We believe therefore that there is just as much present need for legislation to prevent any such outcome and to clarify the rights and duties of carriers subject to the Interstate Commerce Act as there was at the time of the first session of the 78th Congress, when two bills which would have that effect were introduced: S. 942, by Senator Wheeler, "To amend the Interstate Commerce Act to provide for agreements between common carriers by railroad, between common carriers by pipe line, between common carriers by motor vehicle, between common carriers by water, and between freight forwarders, for the making and filing of rates, fares, charges or classifications for transportation of passengers and property, and for other purposes;" and H. R. 2720, by Congressman Bulwinkle, "To amend section 1 (4) of the Interstate Commerce Act, to permit joint action by common carriers subject to part I, II, III, or IV, respectively, in connection with procedures related to the establishment of rates and the taking of other action."

Although neither of these bills in our opinion, dealt adequately with the problem, we were entirely in sympathy with their broad objective.

INTRASTATE RATE CASES

Reports have been published in the following proceedings instituted by us under section 13 (3) of the act:

No. 28791, *Rates on Road Aggregates within the State of Georgia*, 256 I. C. C. 475.

No. 28963, *Alabama Intrastate Fares*, 258 I. C. C. 133.

No. 29000, *Kentucky Intrastate Fares*, 258 I. C. C. 133.

No. 29036, *North Carolina Intrastate Coach Fares*, 258 I. C. C. 133.

No. 29037, *Tennessee Intrastate Fares*, 258 I. C. C. 133.

The following investigations under section 13 of the act are pending:

No. 28881, *Bituminous Coal Rates Within Illinois*.

No. 29143, *Cottonseed Rates to C. & G. Ry. Points*.

SPOTTING SERVICES AT INDUSTRIAL PLANTS

In our last annual report, we referred to an investigation we instituted into practices of carriers affecting operating revenues and expenses under Ex Parte No. 104, particularly to part II of that proceeding, which relates to terminal services of class I carriers by railroad subject to the Interstate Commerce Act. We there referred

to a case then pending in the Supreme Court wherein our order approving the imposition of a spotting charge was under review. Our order was sustained unanimously. See *United States v. Wabash R. Co.*, 321 U. S. 403 and supplemental opinion, 322 U. S. 198. Similarly, the Supreme Court, on October 9, 1944; in a *per curiam* opinion, affirmed the decision of the lower court which had sustained our order in another case wherein we found that the payment of an allowance to the industry for performing the spotting service was unlawful. See *Hanna Furnace Corp. v. United States*, 53 Fed. Supp. 341.

During the past year, we have held hearings with respect to the situations at a number of plants. We have also called upon the carriers for information with respect to the situations at several other plants. Further, at the request of representatives of the National Industrial Traffic League and certain railway executives, we have conducted investigations with respect to four selected plants with a view to determining whether the service and spotting of the cars at points of loading and unloading within such plants are obligations of the carriers under their line-haul rates.

ACCIDENTS

RAIL

As stated in our annual reports for the last 2 years, there has been a substantial increase during the war period in the number of accidents arising from the operation of trains, and in the number of casualties resulting therefrom. In 1943, there were 16,061 train accidents reported, or an average of 8.87 for each million locomotive-miles, as compared with 7,106 accidents reported, or an average of 5.43 for each million locomotive-miles, in 1940. However, there was a slight decrease in the number of train accidents reported during the first 6 months of 1944, as compared with the corresponding period in 1943. For the first 6 months of 1944, the number of train accidents was 8,203, as compared with 8,209 in 1943, or an average of 8.99 and 9.20, respectively, for each million locomotive-miles.

Train accidents ascribed to defects in or failure of equipment decreased 1.08 percent the first 6 months of 1944, compared with the corresponding months of 1943. Those ascribed to defects in or improper maintenance of way and structures increased 2.52 percent, and those reported as due to "Negligence of Employees," increased 2.10 percent. The decrease for the unclassified remainder was 6.71 percent.

For all railway accidents taken together, the number of persons killed in the first 6 months of 1944 was 2,229, a decrease of 5.11 percent from the first 6 months of 1943. The number injured was 28,981, an increase of 0.43 percent over the first 6 months of 1943. The

following table analyzes the casualties of the first 6 months of 1944 and 1943 by classes of persons:

Class of person	Six months, January-June, inclusive					
	Number of persons killed			Number of persons injured		
	1944	1943	Percent of increase	1944	1943	Percent of increase
Trespassers.....	683	828	¹ 17.51	543	704	¹ 22.87
Employees on duty.....	512	491	4.28	22,603	21,835	3.52
Passengers on trains.....	37	41	¹ 9.76	1,970	2,429	¹ 18.90
Travelers not on trains.....	6	8	¹ 25.00	522	567	¹ 7.94
Others, being chiefly persons at grade crossings.....	991	981	1.02	3,343	3,322	.63
All classes.....	2,229	2,349	¹ 5.11	28,981	28,857	.43

¹ Decrease.

Among the conditions which have contributed to the increase in the accident record during the war period, are the increased number of trains operated, the large number of passengers carried on trains involved in accidents, and increase in the amount of traffic hauled. However, in each of the years following 1940 the passenger casualties, both fatal and nonfatal, averaged fewer per billion passenger-miles than in 1940. For employee casualties, the killed and injured rates per million man-hours were higher in each of the years following 1940 than in 1940. The rise in these rates has apparently been checked, the rates for the first 6 months of 1944 being less than for the corresponding period in 1943.

At the present time, as is true in every year since 1888, the majority of the persons killed in railway accidents are persons other than passengers and employees. In the earlier years, these other persons were chiefly trespassers. In later years, persons killed in rail-highway grade crossing accidents have numbered almost as many as the total trespassers, trespasser deaths having been greatly reduced since the peak year 1907, when more trespassers were killed than the total for all persons killed in railway accidents in 1943.

It appears that for each class of person the fatalities were much greater in World War I than in World War II, the total for all classes being 10,087 in 1917 and 9,286 in 1918, compared with 5,337 in 1942 and 5,051 in 1943. In the 2 decades prior to our entry into the present war, notable progress was made in reducing railway accidents, and especially those resulting in casualties to passengers and employees. In 1932, and again in 1935, but a single passenger was reported as killed in a train accident, although 18 and 24 respectively in those years were killed in the train-service accidents, as in getting on and off cars. In the 10 years ended with 1940, the average annual number of employee fatalities in railway accidents of all kinds was 601, compared with the 4,534 killed in 1907.

As stated in our report last year, definite responsibility rests upon this Commission for the administration of provisions of law which are expressly designed to promote safety. Under the Interstate Commerce Act as amended from time to time, we have issued orders which required extensive installations of automatic train-stop and train-control devices on railroads in the United States. In 1928, we issued a report showing that total installations made comprised 11,238.5 miles of road, 19,751.9 miles of track, and 8,361 locomotives, at a cost of \$26,363,000. Since that time, various modifications have been made, including both additions to these installations, and, in some cases, reductions in equipped mileage and discontinuance of installations because of reduction of traffic. Similar installations now comprise the equipment of 10,687.6 miles of road, 20,723.9 miles of track, and 10,646 locomotives. We have also issued numerous orders which have required extensive improvements in installations of signal systems, interlocking, and other similar systems and appliances. Standards have been prescribed to which all existing installations of signal systems and appliances, as well as all new installations, must conform. In many cases, major reconstruction and replacement programs involving large expenditures have been required. In numerous cases also, investigations have disclosed the need for increased protection in specific locations. In some cases, the carriers have proceeded to make the desired installations upon our recommendation, and in other cases, we have issued orders requiring such installations to be made. Certain of these installations have been completed, others are in progress, and in some cases, the projects are being held in abeyance because of inability of the carriers to secure the required materials and manpower.

Prior to the war, there were several years during which, primarily because of light traffic, the railroads were relatively free from serious accidents. In that period more than 30 percent of the railroad mileage of the country was in, or threatened with, bankruptcy, and funds were not available to many carriers for extensive improvements. This was, of course, not a valid excuse for laxity on the part of railroads which were in sound financial condition, but the demands of the later wartime traffic could not be anticipated with any degree of accuracy, and, on the whole, safety expenditures were confined chiefly to maintenance of existing installations and bringing them into conformity with currently required standards.

After Pearl Harbor, the situation was quickly and radically changed. The military program and the widespread industrial expansion for the production of war materials and supplies not only necessitated the utilization of the railroads to a very large extent for military purposes but in some sections of the country overburdened existing railroad facilities to such an extent that safety of operation was

seriously impaired. In these circumstances, it naturally followed that attention was directed primarily to the provision of transportation facilities which were needed in furtherance of the war effort.

Because of wartime restrictions upon the use of materials, numerous projects, involving new installations as well as modifications of existing systems, to effect compliance with our orders and which are required for safe and efficient operation of railroads could not be carried out. These restrictions and the present shortage of skilled employees in this field are now seriously interfering with improvement programs and with the installation of railroad safety devices and systems on additional mileage. When wartime restrictions which now prevent extensive installations of railroad safety devices are removed, such further action can be taken as may be found to be appropriate to provide greater safety in railroad operation.

Causes of accidents under wartime conditions do not differ materially from causes of accidents under normal peacetime conditions. Many such accidents could have been prevented by adequate installations of well-known safety devices which have proved their merit by extensive use in actual service. In many cases, the remedial or preventive measures required, as disclosed by the investigations, consisted of the extension of existing installations of block-signal systems, interlockings, automatic train-stop, train-control, and cab-signal systems, and other similar appliances and systems, or modification of existing installations of such systems and appliances to correct deficiencies and to bring them into conformity with the standards currently required. The development of various forms of train communication systems is receiving increasing attention; thus far, however, the use of these systems has been proposed primarily for improving railroad operation. The safety aspects are being studied, but it has not yet been determined to what extent such systems can be utilized in connection with existing systems to increase safety.

We are required to give especial attention to accidents occurring from failure from any cause of a locomotive, its boiler, or any of its appurtenances, resulting in serious injury or death to one or more persons, and to determine the causes.

Locomotive-boiler explosions and the conditions which produce them are discussed elsewhere in this report. In addition, many serious accidents are brought about by neglect to repair, or properly repair, what may appear at the time to be an insignificant defect in a comparatively minor part or appurtenance, the failure of which, on a locomotive otherwise in good condition, may start a chain of events leading up to an accident that would have been averted if adequate repairs to the part or appurtenance had been made.

In the year ended June 30, 1944, there was a total of 117,334 inspections of steam locomotives, of which 11.0 percent were found defective.

The corresponding figures for the preceding year were 116,647 inspections and 10.0 percent defective. In the same periods, the casualties resulting from locomotive accidents were 25 killed and 466 injured in 1944, and 27 killed and 373 injured in 1943.

The number of accidents and casualties for the fiscal year ended June 30, 1923, namely, 1,348 accidents, 72 persons killed and 1,560 persons injured, is the highest since 1912, the first year for which complete data are available. The percentage of the inspected locomotives found defective in 1923 was nearly as high as in 1912, although the deaths from all causes were considerably less than those attributable to failures of boilers and their appurtenances only, in 1912.

The low point for locomotive accidents and casualties was reached in the fiscal year ended June 30, 1932, in which year 8 percent of the 96,924 locomotives inspected by inspectors of the Bureau of Locomotive Inspection were found to have defects that should have been repaired before the locomotives were used; 145 accidents occurred in that year, which resulted in 9 deaths and 156 injuries.

In connection with locomotives other than steam, 17 accidents occurred in the fiscal year ended June 30, 1944. These accidents caused injuries to 23 persons. The corresponding figures for the 2 preceding years were, for 1943, 15 accidents and 18 injuries, and for 1942, 9 accidents and 9 injuries. No deaths have occurred as a result of failures of parts or appurtenances of locomotives other than steam since the year 1931.

MOTOR

Serious shortages of repair parts and tires, the increased use of inexperienced drivers and mechanics, and the greater average age of vehicles in use, have increased the accident hazards in motor transportation. Notwithstanding these adverse conditions, motor-carrier accidents for the year did not appreciably increase over the similar previous period.

Our field staff has emphasized to carriers the necessity for increased care of vehicles, and more careful driving in order to conserve their present irreplaceable vehicles. This has assisted in avoiding accidents. The staff has inspected more than 10,000 vehicles, and examined several hundred thousand drivers' logs of hours of service, and has made surveys of the safety programs of a large number of carriers. A close watch has been kept on drivers' hours with a view to preventing the use of drivers suffering from fatigue because of long driving or on-duty hours.

Special bulletins issued during the year discussed causes and prevention of motor vehicle fires and special winter driving hazards, and contained recommendations for action designed to prevent accidents resulting from mechanical defects or overheated tires.

During the calendar year 1943, there were 51 accidents involving the transportation of petroleum products, principally gasoline, in which 18 persons were killed, 27 were injured, and the amount of damage was \$792,000. In these accidents, 104 individual vehicles were completely destroyed, principally by fire. In the transportation of explosives in this period, there were but 2 accidents resulting in 1 death, and 1 injury, the total destruction of 4 individual vehicles, and property damage of \$25,724. In the transportation of compressed gases, there were 4 accidents in which 1 person was killed and none injured, with the total destruction of 8 individual vehicles and property damage of \$50,500. These 3 classes of commodities occasion the most serious losses of commodities coming within the general description of "explosives and other dangerous articles." The accidents involved in the transportation of these 3 classes of commodities resulted in death of 20 persons, injury to 28, property damage of \$868,224, and the total destruction of 116 individual vehicles.

Motor-vehicle accident statistics are generally desired on a calendar-year basis. For 1943, motor carriers reported 8,946 accidents, resulting in 1,056 fatalities, 10,461 other personal injuries, and estimated property damage of \$9,134,301, compared with 10,987 accidents, 1,124 fatalities, 9,993 other personal injuries, and estimated property damage of \$7,776,178 for 1942.

Although accidents generally decreased during 1943, certain types of accidents increased, namely, accidents involving mechanical defects and those involving fires. Of all the accidents arising from mechanical defects, those involving brake failures or defects were the most frequent, and those involving tires the most costly. Accidents involving fires rose about 50 percent over the year 1942, and the amount of property damage per-fire accident was considerably greater than formerly, although the fatalities and injuries per-fire accident have decreased.

LAWS RELATING TO RAILROAD LABOR

We have referred heretofore in our annual reports of previous years to the provisions of the Railway Labor Act, the Railroad Retirement Act, The Carriers Taxing Act, and the Railroad Unemployment Insurance Act, which authorize us, under certain conditions, to determine whether any line operated by electric power falls within the terms of the provisions of the statutes exempting street, interurban, or suburban electric railways, and to the provisions of the Railway Labor Act authorizing us to amend and interpret our orders defining the work of employees and subordinate officials of common carriers by railroad.

During the current year, we made no findings with respect to petitions filed with us under the provisions of these statutes. How-

ever, hearings have been held in connection with petitions filed by the Railroad Retirement Board requesting us to determine the status of the International Railway Co., and by the Union Pacific Railroad Co. and the Ogden Union Railway and Depot Co. in the matter of the status of certain of their employees, including special agents, watchmen, and guards. A proposed report by our examiner containing his recommended findings as to the two last-mentioned petitions has been served upon the parties.

In our last annual report we referred to our findings in *Nevada N. Ry. Co. Employees—Railway Labor Act*, 255 I. C. C. 419, and to the fact that that decision was then the subject of litigation in the District Court of the United States for the District of Columbia. (*Brotherhood of Locomotive Firemen & Enginemen v. Interstate Commerce Commission*.) That court rendered a decision sustaining our findings, and an appeal to the United States Court of Appeals for the District of Columbia is now pending.

STANDARD-TIME ZONE INVESTIGATION

The standard-time zone boundaries defined by us under the Act of March 18, 1918, have not been altered since the eastern zone was extended to include the entire State of Georgia, effective November 23, 1941. Since our last annual report, no modification whatever has been made in our outstanding orders.

The three-way conflict between Federal, State, and municipal standards of time continues. Certain States have changed their legal standards of time back to the normal bases, 1 hour slower than the corresponding advanced standards provided by the act of January 20, 1942. A number of municipalities in those States have continued to observe the Federal standards or have periodically shifted between Federal and State standards for the zones in which they are located. This confusing situation results from the lack of requirement that the standards of time provided by the Standard Time Act be uniformly observed for all purposes.

Consideration should be given to the situation which will be brought about by the expiration of the act of January 20, 1942. Section 2 of that act is not clear. Under its terms there appears to be a gap, which might amount to as much as 2 months, between the termination of wartime and the restoration of the normal standards, during which there would be no Federal standard. Clarifying legislation appears to be needed.

Our past experience indicates the possibility that, if wartime expires without additional legislation, many of the States and municipalities in the eastern parts of the several zones will refuse to return to the normal standards for those zones. Others will, in all probability, return to their former practice of daylight saving during the summer months,

and they will likely be joined by other communities, whose habits, particularly during the summer months, have become adjusted to the advanced time standards. If such possibilities eventuate, the resulting confused time situation will again demonstrate the ineffectiveness of the Standard Time Act in accomplishing its purpose "to provide standard time for the United States."

We renew our recommendation that Congress fully occupy the legislative field respecting standard time.

WORK OF THE LEGISLATIVE COMMITTEE

During the period covered by this report, 26 reports on bills or resolutions were submitted on behalf of our Legislative Committee or the Commission. These reports were directed to the chairman of the Senate or House committee from which came the request for the report, and contained criticisms, suggestions, and recommendations in regard to the bill or resolution in question. Among the most important bills on which we have reported are the following: S. 1492 and H. R. 3554, "To amend section 6 (1) of the Interstate Commerce Act, to provide that the established railroad freight rates cover the receipt and delivery of loaded cars at the points of loading and unloading;" H. R. 4184, "To amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic;" S. 1489 and H. R. 3758, "To establish additional standards and to declare the policy of Congress with respect to abandonment of railroad lines;" and H. R. 4960, "To amend section 77 of the Act of July 1, 1898, entitled 'An Act to establish a uniform system of bankruptcy throughout the United States,' as amended." The committee also made a number of reports to the Bureau of the Budget with respect to enrolled enactments of Congress and communications from various departments of the Government to that Bureau concerning proposed legislation having to do directly or indirectly with the jurisdiction of this Commission.

Upon our recommendation section 22 of the Interstate Commerce Act was amended so as to permit common carriers subject to the act to establish reduced fares for members of the armed forces of the United States or foreign services in traveling on leave or furlough at their own expense, available also to persons discharged or retired from the armed forces of this Government in traveling at their own expense to their homes within 30 days after their discharge or retirement.

ADMISSIONS TO PRACTICE

During the year ended October 15, 1944, which included the fifteenth anniversary of the establishment of our register of practitioners, 330 applicants were admitted to practice, fewer than in any previous

year. Of this total 298, or 90.3 percent, were lawyers, who were admitted upon application supported by a showing of adequate qualification, and 32, or 9.7 percent, were nonlawyers, who were admitted as the result of an examination held in the spring of 1944.

Since the establishment of the bar on September 1, 1929, the admissions to practice have numbered 15,290, of which 10,968, or 71.7 percent, were attorneys, and 4,332, or 28.3 percent, were not attorneys. A substantial decline in the number of nonlawyers admitted occurred after 1938, when we adopted the policy of requiring such applicants to pass an examination. Since then we have conducted 16 examinations, which were taken by a total of 501 applicants. The returns are not available for the most recent examination. Of 443 applicants examined in the 15 previous examinations, 249, or 56.2 percent, were passed and admitted.

While the decline in the total number of admissions since 1938, accelerated after our entry into the war, the sharp drop of the last 2 years is probably due largely to the requirement of our new General Rules of Practice, that applications filed after September 15, 1942, be accompanied by a fee of \$10. The current rate of admissions is less than one-fourth of that for 1938, and the proportion of nonlawyers is less than it was for that year.

BUREAU OF ACCOUNTS

The activities of this Bureau during the year have gone forward under a shortened procedure directed at matters of the most immediate importance. This procedure was worked out and put into effect following the heavy reduction in personnel resulting from transfers to war agencies during the year 1943.

The Bureau, during the period covered by this report, has completed 812 general and special investigations of the accounts and records of transportation agencies subject to our jurisdiction, leaving 35 investigations in progress.

Sixty-three orders were issued, 10 relating to accounts of steam railroads, 1 each to water carriers and electric lines, and 51 pertaining to depreciation accounts of railroads, pipe lines, and water carriers.

A tentative draft of a uniform system of accounts for persons furnishing cars or protective services against heat or cold was issued. It is expected to be made effective January 1, 1946. A proposed order extensively modifying the uniform system of accounts for electric railways was issued, and now is under consideration.

BUREAU OF FINANCE

Certificates of convenience and necessity, acquisition of control, et cetera.—During the year ended October 31, 1944, 72 applications were filed for permission to abandon about 1,119 miles of railroad,

and 54 miles of operations under trackage rights. The proceedings in which we rendered decisions involved the proposed abandonment of about 1,024 miles of railroad, and 121 miles of operations. In 43 of those proceedings, involving 244 miles of railroad, and 29 miles of operations, no protests or objections were filed by shippers or public authorities. Protests were filed, and hearings held, in 29 cases, involving 780 miles of track, and 92 miles of operations. Of the applications protested, we denied, in whole or in part, those involving 330 miles of lines and 14 miles of trackage rights, and authorized the abandonment of the remaining 450 miles of lines and 78 miles of operations. We granted, in whole or in part, 61 applications, involving 618 miles of branch lines of class I carriers, including trackage rights, and 183 miles of so-called short lines. Of the short-line mileage, 141 miles were abandonments as to interstate and foreign commerce of the entire lines of the applicants, and 42 were portions of such lines. In proceedings in which certificates were issued, covering 575 miles of road, the estimates of average annual losses from continued operation or of future annual savings resulting from abandonment amounted to \$448,877. In proceedings covering the remaining mileage, estimates of losses or savings were not given. Mileage and losses in abandonments of lines on which no service has been rendered in recent years because of the absence of traffic, have not been included.

It has been shown in certain cases that the necessary cost of rehabilitation or of bringing up deferred maintenance of tracks which were permitted to be abandoned, aggregating about 161 miles, would require an expenditure estimated at \$1,243,000. Since this amount would necessarily be expended in order to continue operation, abandonment would result in a saving which to that extent can, with reasonable accuracy, be estimated in advance.

Corresponding data are given in our reports beginning with the report for 1934.

Under our cooperative plan with the War Department and the War Production Board, we notify them of applications for permission to abandon as these are filed and advise them of the status thereof. The War Department in each case advises whether it considers the line involved of military value.

In appendix D, we have listed the certificates issued, authorizations granted, and pertinent data with respect to proceedings involving the abandonment, construction, and acquisition and operation of lines of railroads under section 1 (18) of the Interstate Commerce Act; and consolidation and mergers of carriers, purchases, leases, and contracts to operate properties of carriers by other carriers, acquisition of control through ownership of stock, or otherwise, of carriers by other carriers, or by persons not carriers, acquisition by

carriers of trackage rights over, or joint ownership or use of, railroad lines and terminals of other carriers, under section 5 (2) of the act.

In two cases we authorized transfers of certificates of water carriers under section 312 of the act.

Railway employees.—In all proceedings initiated by railroads under section 5 (2) of the act, it is necessary for us to provide protection for any employees adversely affected. In cases in which it has not been possible to determine at the time of our decision what the effect upon employees might be, we have specifically reserved jurisdiction to make additional findings and impose such terms and conditions as to employment as may be required by law, if upon petition by the employees or their representatives it is made to appear that their employment or interests will be adversely affected by anything subsequently done pursuant to, or as a result of, the authorizations granted.

During the year, we provided, by the imposition of conditions, plans for the protection of employees in two cases under section 5 (2), namely, *Oklahoma Ry. Co. Trustees Abandonment*, 257 I. C. C. 177, Finance Docket Nos. 14221 and 14229, decided May 17, 1944, and in *Southern Pac. Co. Abandonment*, Finance Docket Nos. 14343 and 14409, decided June 21, 1944.

The United States Supreme Court, in *Interstate Commerce Commission v. Railway Labor Executives' Assn.*, 315 U. S. 373, decided March 2, 1942, held that we have authority to impose conditions for the protection of employees displaced by railroad abandonments, but indicated that whether such conditions should be attached and, if so, their nature and extent are matters for us to determine in the light of the evidence. In proceedings involving abandonment of portions of railroad systems, where it appears that employees might be affected, and timely requests are made for their protection, we reserve jurisdiction to consider the question whether conditions should be imposed for the protection of employees adversely affected by anything done pursuant to the permission to abandon granted. Upon stipulation of the applicant and representatives of carrier employees, we imposed conditions similar to those in the *Oklahoma Railway case*, above mentioned, in *Baltimore & Ohio Railroad Co. Abandonment*, Finance Docket No. 14517, decided August 3, 1944.

In cases involving the abandonment of the entire line, or system, of railroad companies, we have declined to impose conditions for the protection of employees.

In *Bush Terminal Railroad Co. Operation*, 257 I. C. C. 375, decided July 28, 1944, conditions were imposed, upon stipulation of the applicant and representatives of certain employees of the Bush Terminal Co., also similar to those in the *Oklahoma Railway case supra*. The proceeding involved operation by the railroad company of

properties, other than trucks in pick-up and delivery service, of the Bush Terminal Co., used by the latter company in its performance of railroad and floatage services as agent for the trunk-line railroads and the applicant at Brooklyn, N. Y.

Interlocking directorates.—During the period covered by this report, we received 199 applications from individuals. Disposition was made of 196 applications, of which 189 were granted, 1 was denied, and 6 were withdrawn.

Issuance of securities and assumption of obligation.—During the year ended October 31, 1944, we authorized, under the provisions of section 20a of the act, the issue of securities for refunding maturing obligations, for refinancing other unmatured securities bearing higher rates of interest, for new money to be used for various corporate purposes, for the purpose of effecting reorganization of properties emerging from equity receivership, and for effecting mergers.

The assumption of obligation and liability in respect of the securities of others, consisting largely of equipment-trust certificates and the securities of subsidiaries, especially those of terminal companies, has been authorized. Several hearings have been held in respect of the various issues and assumptions. The amount of securities involved and the purposes to which applied will be found in appendix D.

PROGRESS OF RAILROAD REORGANIZATIONS

Railroads in bankruptcy.—Three additional proceedings for reorganization of railroads under section 77 of the Bankruptcy Act were instituted during the period embraced in this report. Five other reorganization cases were finally concluded through consummation of the plans.

A list of all railroad reorganization proceedings before us is shown in appendix E.

During the period of this report, no final plans were confirmed by the district courts, but in four proceedings plans were approved by those tribunals.

We issued a report approving a plan of reorganization for one railroad company and supplemental reports approving modifications of plans previously approved by us in the cases of six other railroads.

During the period of this report, we have disposed of a large number of petitions and motions pertaining to features of reorganizations other than the formulation of plans. These have embraced ratifications of the district courts' appointments of trustees and successor trustees, authorizations or modifications of previous authorizations of protective committees and reorganization committees, the fixing of maximum limits of compensation of debtors' trustees and their counsel, reorganization managers and their counsel, and other parties, and of reimbursement of expenses incurred in the various proceedings,

and approval, pursuant to confirmed plans, of the acquisition and operation of properties, the issuance of new securities, and the assumption of obligations and liabilities by reorganized companies. Public hearings were held on 26 separate occasions in 18 different proceedings, some of which required consideration of numerous individual petitions. Three plans of reorganization were submitted to the security holders for acceptance or rejection. In giving effect to all of these activities in the various reorganization and receivership proceedings, we issued approximately 45 reports and orders and 90 individual orders and certificates.

In our last annual report, we discussed the status of the several reorganization proceedings then pending in the courts or before us in relation to the issues decided on March 15, 1943, by the Supreme Court in the cases of the Western Pacific Railroad Co. and the Chicago, Milwaukee, St. Paul & Pacific Railroad Co.,⁸ and the effect thereof on the various proceedings. The description of the status of the Western Pacific reorganization included the acceptance of the plan by the security holders. Subsequently, the district court confirmed the plan, and it is now in process of consummation. Plans of reorganization for the Akron, Canton & Youngstown Railway Co., the Alabama, Tennessee & Northern Railroad Corporation, the Chicago & North Western Railway Co., the Fonda, Johnstown & Gloversville Railroad Co., and the Minneapolis, St. Paul & Sault Ste. Marie Railway Co., all of which at the end of the period covered by our last report had been confirmed by the district courts but not consummated, have been consummated during the period of this report.

As a result of further consideration, either upon further hearings following reference of the proceedings back to us by the respective district courts, or upon petitions for modification filed by the parties, we have issued, during the period of this annual report, supplemental reports and orders modifying previously approved plans in the following cases: Chicago, Indianapolis & Louisville Railway Co., Chicago, Milwaukee, St. Paul & Pacific Railroad Co., Chicago, Rock Island & Pacific Railway Co., Missouri Pacific Railroad Co., New York, New Haven & Hartford Railroad Co., and St. Louis-San Francisco Railway Co. Such modified plans have been approved by the district courts in the Milwaukee and the New Haven cases. Also, plans previously approved by us in the cases of the Denver & Rio Grande Western Railroad Co. and the St. Louis Southwestern Railway Co. have been approved by the district courts.

Our last annual report contained a discussion of a pending bill, H. R. 2857, to amend section 77 in certain respects. In the inter-

⁸ *Institutional Bondholders Comm. v. Western Pac. R. Corp.*, 318 U. S. 448, and *Group of Institutional Investors v. Chicago, M., St. P. & P. R. Co.*, 318 U. S. 523.

vening period, the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary of the House of Representatives referred to the whole committee a revision of the original bill. On June 8, 1944, a revised bill, H. R. 4960, was reported out favorably and unanimously by the whole committee, with recommendation that it pass, and the bill was placed on the House calendar for consideration by that body.

In our last annual report reference was made to a question which had been raised in several proceedings, but more pointedly in the reorganization of the St. Louis-San Francisco Railway Co., with respect to our jurisdiction to fix maximum limits of allowances of compensation for services of indenture trustees and their counsel, undertaken in performance of the trustees' fiduciary duties. Following the decision of the Supreme Court on February 8, 1943,⁹ reversing the judgment of the circuit court of appeals and remanding the case to the district court, the latter entered an order setting aside the pertinent portion of our previous maximum-limit determination and returning the matter to us for reconsideration. Conformably thereto, a further hearing was held and a supplemental report and order issued, by which our previous report and order were modified by increasing the maximum limits for the compensation items involved. We found, as had been indicated in our previous report, that all the services and expenses embraced in the indenture trustee's claim, with the exception of those antedating the beginning of the section 77 proceeding, had been rendered and incurred in connection with the proceedings and were therefore subject to our maximum-limit determination under the statute. In so finding, our judgment followed that of the Supreme Court with respect to the character and classification of the services in question.

RAILROADS IN RECEIVERSHIP

A list of the railroads in charge of receivers is shown in appendix E of this report. Since our previous report, the receivership proceedings of the Waterloo, Cedar Falls & Northern Railway Co. have terminated and the properties have been taken over by the Waterloo, Cedar Falls & Northern Railroad Co.

The Seaboard Railway Co., organized for the purpose of acquiring the properties of the Seaboard Air Line Railway Co. at foreclosure sale, has instituted proceedings looking toward a termination of this long-standing receivership, and we have issued a report approving the proposed new capitalization, Finance Docket No. 14500, Seaboard Air Line Ry. Co. Receivership. Further progress in this proceeding awaits action by courts having jurisdiction in the premises.

⁹ *Reconstruction Finance Corporation v. Bankers Trust Co., Trustee*, 318 U. S. 163.

RECONSTRUCTION FINANCE CORPORATION ACT

Since our last report, we have approved one loan under the Reconstruction Finance Corporation Act in the sum of \$63,039 upon application filed by a carrier. This loan required our certification that, on the basis of present and prospective earnings, the applicant might reasonably be expected to meet its fixed charges without reduction thereof through judicial reorganization. The purpose for which the loan was approved was to supply needed funds for rehabilitation of the carrier's roadway property.

In another case, an application for a loan was dismissed, with the consent of the applicant. In two cases, we approved modifications of certificates previously issued.

The total net amount of loans, purchases of securities, and guarantees approved by us under this act is \$914,991,375.62, inclusive of \$6,000,000 approved under section 201 of the Emergency Relief and Construction Act of 1932.

In authorizing the acquisition of property, issue of new securities, and assumption of obligations and liabilities by the reorganized companies in the reorganization proceedings of the Alabama, Tennessee & Northern Railroad Corporation and of the Chicago & North Western Railway Co. under section 77 of the Bankruptcy Act, we approved the adjustment or compromise, under the provisions of section 5b (3) of the Reconstruction Finance Corporation Act, of the claims of the Finance Corporation, thereby modifying prior reports, orders, and certificates so as to permit acceptance by the Finance Corporation of the new securities distributable to it under the plan of reorganization in discharge of all claims against the debtor companies and their trust estates.

BUREAU OF FORMAL CASES

The formal complaints filed numbered 192 of which 170 were original complaints and 22 subnumbers, an increase of 37 as compared with the previous period. We decided 230 cases, and 75 have been dismissed by stipulation or on complainants' request, making a total of 305 cases disposed of, as compared with 332 during the previous period.

Approximately 60 formal and investigation and suspension cases have been reopened for further hearing and reconsideration.

We conducted 405 hearings and took approximately 72,825 pages of testimony, as compared with 484 hearings and 81,114 pages of testimony, during the preceding period.

The following statement shows certain facts with respect to the condition of the docket as of October 31 of the years indicated:

	1941	1942	1943	1944
Formal complaints filed.....	160	167	137	170
Subnumbers.....	20	21	18	22
Investigation and suspension cases instituted.....	230	93	103	64
Cases under submission at end of period:				
Regular docket.....	112	72	84	56
Shortened procedure.....	21	15	13	18
Cases disposed of including subnumbers and reopened cases.....	458	455	363	332
Number of pending cases.....	523	372	393	378
Additional proceedings disposed of by formal reports:				
Fourth-section applications.....	157	146	45	21
Ex parte proceedings.....	13	9	20	7
Railway Labor Act.....	5	2	5	0
Water-carrier applications.....	8	112	59	30
Freight-forwarder applications.....			3	25

SHORTENED PROCEDURE

Approximately 27 percent of the total number of formal complaints are now handled by the shortened procedure method as compared with 41, 27, and 27 percent during the 3 preceding years. In the cases so handled and decided during this year, the average elapsed time to reach a decision was 333 days from the receipt of complaint and 183 days from receipt of the final memorandum. The corresponding periods during the 3 preceding years were 337 and 193 days, 333 and 194 days, and 359 and 221 days, respectively.

BUREAU OF INFORMAL CASES

The number of informal complaints filed under parts I, III, and IV of the act was 962, an increase of 349. The rail carriers filed 2,146 special docket applications for authority to refund amounts collected under the published tariffs and admitted by them to have been unreasonable, an increase of 251. Orders authorizing refunds were entered in 1,801 cases, an increase of 102 and reparation thereunder was awarded in the sum of \$942,735.49. In addition, 243 cases were dismissed or disposed of without orders. The Bureau also handled approximately 6,000 letters, many of which had the characteristics of informal complaints although not classified as such.

BUREAU OF INQUIRY

Our Bureau of Inquiry is engaged principally in work pertaining to enforcement of the criminal and penal provisions of parts I, III, and IV of the Interstate Commerce Act and related statutes. Field investigations to determine whether violations of those provisions have been committed by railroads, water carriers, and freight forwarders,

or by shippers using their facilities and services, are conducted by a staff of special agents under the direction of a staff of attorneys. These attorneys analyze the evidence gathered, make recommendations, and, in instances where prosecution or other court action is approved by us, prepare cases for submission to the United States attorneys and assist in the presentation of the evidence to grand juries and in the subsequent proceedings in the courts. Another important function of the Bureau is to conduct field investigations for the purpose of assembling evidence for presentation at hearings in formal cases instituted by us on our own motion, and the introduction at those hearings of such evidence in exhibit form or by testimony of the special agents.

Approximately 140 investigations of alleged statutory offenses, in addition to investigations in several important formal docket proceedings, were conducted during the year.

Certain of these investigations indicated that shippers had resorted to the practice of falsely describing the contents of their shipments in order to obtain transportation at less than the published rates, and in one instance it was discovered that a railroad company had knowingly permitted such false billing. Prosecutions were instituted against this carrier, as well as three corporation and four individual shippers. A fine of \$2,000 was imposed upon the carrier when it pleaded guilty, and in three of the cases against shippers fines aggregating \$8,000 were imposed upon pleas of *nolo contendere*. The remaining prosecutions are still pending.

From the evidence developed in another investigation it appeared that certain shippers, with knowledge on the part of a railroad company's agent, had represented in shipping instructions furnished to the carrier that shipments of lumber had originated at points on the carrier's line from which lower rates were applicable than those from the actual points of origin. As a result, a substantial volume of traffic was transported at less than the lawful charges. Indictments based on this practice were returned against the railroad agent and two shippers. The defendants paid fines aggregating \$525 upon pleas of guilty, and were placed on probation for 60 days.

Other investigations indicated that shippers, by means of false representations to railroad agents that bills of lading or delivery orders were not available at destination points, obtained delivery of notify shipments in advance of surrender of those documents to carriers' agents at destinations. Under rules published by the carriers such advance deliveries were not permitted where the bills of lading or delivery orders were available to the notify party named therein. In addition to violating this rule, the notify parties, by means of the false representations, obtained substantial concessions in that they were able to dispose of the contents of shipments before they obtained

possession of the bills of lading and delivery orders at the banks by paying the consignors' drafts which were attached to those documents. Thus, in effect these parties were enabled to do business with the consignors' funds. Prosecutions, which still are pending, were instituted against three shippers who engaged in this practice.

The filing of allegedly false claims by shippers against carriers was brought to light in other investigations. Indictments of two of such shippers were obtained. One was charged with having filed a false repair bill in support of a claim for alleged loss due to damage to a shipment in transit. The other was indicted for representing that it had suffered damage due to alleged loss in transit when in fact no such loss had occurred. A trial in one of these cases resulted in a verdict of guilty, but a motion in arrest of judgment, not yet acted upon, was filed.

Investigations were conducted to determine whether carriers had strictly observed their demurrage tariffs. The evidence thus obtained led to prosecution of a carrier for failing to assess and collect demurrage charges. This defendant pleaded *nolo contendere* and paid a fine of \$1,000. In another case, a similar plea was entered by a shipper corporation which had been indicted for attempting to obtain the cancelation by a railroad company of applicable charges. A fine of \$2,000 was imposed.

Other investigations brought to light the apparent failure of carriers and shippers to comply with the terms of tariffs which afforded to shippers the privilege of having shipments of cotton, grain, and other commodities stopped at certain points for various purposes and subsequently forwarded from those points at through rates applicable from the points of origin to destinations beyond the stop-off points. In one instance, where the through rates were applicable when shipments were stopped at the transit point either to complete loading or to partially unload, but not for both purposes, it was found that a shipper of hides followed the practice of unloading portions of shipments, and also loading additional hides into the cars, before ordering the shipments forwarded from the transit point. It represented to the carrier, however, that the cars were stopped merely to complete loading. As a result, for the entire transportation the carrier assessed freight charges based on the through rates rather than upon the local rates to and from the transit point which were applicable when both loading and unloading occurred at the stop-off point. Prosecution has been instituted.

In another instance, a rail carrier collected so-called net-transit rates, which were lower than local rates, on numerous shipments of unfinished cotton piece goods consigned to a finishing mill on its line. Such lower rates were applicable if an equivalent amount of finished material was forwarded by railroad from the mill point. A large por-

tion of this unfinished material was forwarded from the mill point by truck, and on such portion the railroad was obligated under its tariff to adjust the charges collected to the mill point to the basis of the higher local rates. By failing to do this promptly it granted a substantial concession to the mill operator. Criminal proceedings will be instituted.

A scheme on the part of several shippers apparently designed to defeat through rates on shipments of land plaster from Virginia to North Carolina was unearthed in another investigation. Notwithstanding the shippers' original and continuing intent that the shipments were to be transported to North Carolina destinations, they were billed to Virginia points, and then rebilled beyond. In certain instances the shipments remained only for a short time on team tracks at the rebilling points, the seals on the cars remaining unbroken. Transportation was thus obtained at the local intrastate rate to the rebilling points, plus the local interstate rates beyond, instead of at the lawful interstate rates applicable for the through movement. Prosecution of three shippers, as well as of two carriers who permitted this practice, was instituted, and upon pleas of *nolo contendere*, fines aggregating \$12,500 were imposed.

Investigations were conducted to determine whether our regulations governing the extension of credit by railroads to shippers were being observed. In one prosecution, based on the practice of a carrier of extending credit for longer periods than that prescribed in those regulations, a railroad defendant entered a plea of *nolo contendere* and paid a fine of \$1,000.

Nonobservance of emergency service orders, issued by us under the provisions of section 1 (15) of the act, to conserve railway equipment and expedite the movement of traffic, was brought to light by investigations conducted at a number of points. In certain instances, it was found that violations of Service Order No. 68 had resulted from assessment of freight charges on the basis of weights less than the published carload minima for cars of the length actually furnished and used. Penalties aggregating \$6,000 were assessed against three railroad companies which confessed judgment upon complaints based on these violations.

Violations of Service Order No. 71 also were discovered. That order provides, among other things, that single-deck cars for the transportation of livestock may be furnished in lieu of double-deck cars ordered by shippers, and that a longer car may be furnished in lieu of a shorter car ordered, only where the carrier is unable to furnish the type or size of car ordered. Three carriers which had supplied cars without regard to these provisions, and also had inserted false notations in their waybills so as to make it appear that their failure to furnish cars of the type and size ordered was due to their inability to comply

with the shippers' orders, were prosecuted for making false entries in their records. Fines aggregating \$2,000 were imposed upon pleas of *nolo contendere*.

Other violations of our service orders arose from (1) the furnishing by carriers of RS-type refrigerator cars for the loading of shipments of empty beer containers, and (2) the transportation of those shipments in that type of equipment. Such use of cars, in the absence of permits issued by the director of our Bureau of Service, was prohibited by Service Order No. 178, which was issued for the purpose of preserving the supply of refrigerator cars for the transportation of perishable traffic. Complaints seeking penalties for these violations were filed against 20 railroads in 13 different districts. In 14 of such cases the defendants have confessed judgment in the aggregate sum of \$11,200.

Another civil suit for a penalty was based on evidence obtained in an investigation of the practices of carriers under Service Order No. 174. That order was issued for the purpose of eliminating a practice which had led to serious delays in the release of grain cars, namely, the consignment of shipments of grain and grain products to notify parties who were located at points other than the billed destination of the shipments. Carriers were prohibited by the order from transporting, or accepting for transportation, carload shipments of the commodities mentioned "when consigned to a notify party or to an advise party at a location other than the billed destination of the shipment." The defendant in the suit mentioned above accepted and transported shipments of grain under bills of lading indicating the notify party to be a concern located at the billed destination, but which the carrier well knew was located at a point more than 100 miles from such destination. It also continued the practice, which it had followed for a substantial period prior to the issuance of the order, of advising the notify party by telegraph of the arrival of each shipment at the billed destination.

For violations of the Interstate Commerce Act and related acts, 12 indictments were returned, and 14 informations and 24 complaints were filed. Forty-four cases were concluded in the district courts, and resulted in the imposition of penalties totaling \$61,225, all of which was paid.

Prosecutions instituted and concluded had their venue in the District of Columbia and in the following States: Alabama, Connecticut, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Virginia, and Wisconsin.

A summary (a) of indictments returned and informations and complaints filed in the United States district courts, and (b) of cases concluded in those courts is set forth in appendix A.

BUREAU OF LAW

On October 31, 1943, there were pending in the courts 43 cases involving our orders or requirements. During the year, 52 cases were instituted and 45 were concluded, leaving 50 cases now pending. Of these, 13 are in the Supreme Court of the United States, 1 is in the Court of Appeals for the District of Columbia, 1 in the Circuit Court of Appeals for the Second Circuit, and 35 are in the district courts of the United States.

Sixteen cases were submitted and decided in the Supreme Court, 1 was discontinued in the New York Court of Appeals, and 28 were concluded in the district courts. Summaries of all the foregoing cases are shown in appendix B.

The cases decided by the Supreme Court were:

Interstate Commerce Commission v. Hoboken Manufacturers R. Co., 320 U. S. 368.

In this case, the Supreme Court reversed a decision of the district court holding invalid our order of July 24, 1939, in *Hoboken Mfrs. R. Co. v. Akron, C. & Y. Ry. Co.*, 234 I. C. C. 114, wherein we had dismissed a complaint seeking increased divisions of joint rates by a switching carrier against connecting trunk lines on lighterage-free freight interchanged from the switching line to a common carrier by water. The practice of the switching carrier was to bring the freight cars to the dock where the shipping company transferred the loaded cars to the vessel by means of a cradle device owned and operated by it, the charge for this service being paid by the switching carrier. From an adverse decision of the district court, 47 Fed. Supp. 779, we took an appeal to the Supreme Court, which held that the determination of the transportation service included in the joint rates was an administrative question for our determination and not for the lower court, which should have accepted the finding that payments made by the switching carrier to the water line for the interchange between them could not be reflected in higher divisions to the switching carrier from the joint rates. In its opinion the Court said:

The prescription of divisions where carriers are unable to agree is not a mere partition of property. It is one aspect of the general rate policy which Congress has directed the Commission to establish and administer in the public interest * * * On such an issue, at least where the Commission prescribes for the complaining party a fair return for the transportation service which it renders, the question as to what is a proper division is one for the Commission's discretion, reviewable only for unreasonableness, departure from statutory standards, or lack of evidentiary support.

Crescent Express Lines v. United States, 320 U. S. 401.

This case involved the validity of our order of September 2, 1941, in Docket No. MC-78980 granting a certificate of public convenience and necessity authorizing applicant to engage as a common carrier by

motor vehicle of passengers and their baggage in special operations, nonscheduled door-to-door service, limited to the transportation of not more than six passengers in any one vehicle between points in New York State, operating by way of New Jersey. From a decision of the district court, 49 Fed. Supp. 92, holding that under section 208 (a) we could limit passenger operations to transportation in the same type of equipment which the carrier used prior to the "Grandfather" date, June 1, 1935, an appeal was taken to the Supreme Court which sustained our order.

In rejecting appellant's argument that a prior order, broader in scope, had been limited by the order under attack at a hearing without notice to the applicant, the Court held that the applicant had ample opportunity to present additional evidence of its operations prior to June 1, 1935, but failed to do so; consequently the Court said it was not necessary to resolve a question as to whether or not the applicant had actual notice of the further hearing. To the objection that the record does not support the Commission's restricting the applicant to door-to-door service over irregular routes in nonscheduled operations, the Court said that the evidence is clear that prior to the "Grandfather" date applicant's operations were special and nonscheduled; consequently the insertion of the privilege for irregular routes was correct. The third, and most important, objection made to our order was that it was beyond our power to limit applicant's operations to "transportation of not more than six passengers in any one vehicle," and it was contended that applicant should be permitted to expand its facilities to the use of busses because of the provision in part II that a carrier shall not be limited or restricted to add to its equipment and facilities "as the development of the business and the demands of the public shall require." The Court rejected this argument, pointing out that the difficulty with it is that the special advantage to the public in the use of small vehicles operating as occasion demands from door-to-door rather than between fixed terminals, distinguishes applicant's business from the service provided by regular lines operating heavier equipment. When we required the applicant to limit its future operations to the type of equipment and service previously offered, the Court held we acted within our power and in accord with the purpose of Congress to maintain motor-transportation facilities appropriate to the needs of the public.

Chicago, St. P., M. & O. Ry. Co. v. United States, 322 U. S. 1.

This was another case arising under the "grandfather" clause of the motor carrier act wherein, by our order of October 24, 1941, in Docket No. MC-47466, and in Docket No. MC-47466 (Sub-No. 1), Styer Common Carrier Application, we had authorized an applicant, on the ground of public convenience and necessity, to serve intermediate points on prescribed routes not actually served on the "grandfather" date.

The lower court had sustained our order, 50 Fed. Supp. 249, and on appeal the Supreme Court construed section 208 (a) of the Interstate Commerce Act, authorizing the imposition of conditions and limitations to the privileges granted by a "grandfather" certificate, and held that under this section we could authorize an applicant to serve intermediate points even though he had disclaimed a request for such authority.

Cornell Steamboat Co. v. United States, 321 U. S. 634.

The Supreme Court in this case sustained our order of February 2, 1943, in *Cornell Steamboat Co. Contract Carrier Application*, 250 I. C. C. 577. The decision of the Court holds that the Cornell Co., which is engaged in interstate towage-for-hire business, is subject to our jurisdiction, even though a major portion of its tugboats move from points in New York to other points in the same State. Such movements, however, generally traverse New Jersey, as well as New York, waters. The decision, which follows closely the reasoning in our reports, upholds our ruling that the company, to the extent that it is engaged in towing cargo-carrying vessels for others who are not common carriers, is engaged in transportation by water, and is a "common carrier by water" within part III of the Interstate Commerce Act.

Boston Tow Boat Co. v. United States, 321 U. S. 632.

This case is an outgrowth of the *Cornell case* just referred to. The Boston Tow Boat Co. had intervened as a party in interest, and had taken an appeal to the Supreme Court when the lower court overruled its contentions. On appeal, the Supreme Court held that the interest of the Boston Tow Boat Co. was insufficient to warrant intervention since it did not allege, and the record failed to show, that it had any financial interest in the Cornell Co. or was engaged in competition therewith, or that its interest would be adversely affected by the decision against the Cornell Co., except insofar as a precedent might be established holding towboats subject to our jurisdiction.

City of Yonkers v. United States, 320 U. S. 685.

In this case the Supreme Court reversed the decree of the district court which had sustained our order in F. D. No. 13914, *New York Central R. Co. Abandonment*, 254 I. C. C. 810, authorizing abandonment of the so-called Yonkers branch extending from Van Cortlandt Park Junction, New York City, to Getty Square, Yonkers, N. Y., 3.1 miles.

The sole ground of the reversal was the absence of "requisite jurisdictional findings" upon the question whether the Yonkers branch is a street, suburban, or interurban electric railway not operated as a part of a general steam railroad system of transportation, within the meaning of section 1 (22), which provides that our authority under paragraphs (18)-(21) shall not extend to either the

construction or abandonment of such railways. In concluding its opinion the Court stated:

We intimate no opinion on the merits of the controversy. For in absence of the requisite jurisdictional findings we think the order of the Commission should have been set aside.

After the decision was rendered, we issued a supplemental report making the finding deemed essential by the Court, and adhering to our former view that the abandonment was consistent with public convenience and necessity. See 254 I. C. C. 745 and 799. The lower court upon review of this order sustained our action, and an appeal has been taken to the Supreme Court.

United States v. Wabash R. Co., 321 U. S. 403.

In this case the Supreme Court sustained our order of May 6, 1941, in *Ex Parte 104, Part II, Terminal Allowances*, 245 I. C. C. 383, wherein we had found that the performance of service by rail carriers beyond the tracks determined by us to be convenient points for the receipt and delivery of traffic of the A. E. Staley Manufacturing Co. at Decatur, Ill., to be a plant service for which the carriers were not compensated in their line-haul rates, and wherein we required the cancelation of tariffs providing for such service. The lower court, 51 Fed. Supp. 141, had set the order aside because it was of the opinion that the enforcement of the order caused preference of the shipper's competitors who enjoyed similar terminal service without extra charge. The Supreme Court held that this finding was irrelevant. The Court also held that the question of where transportation ends is an administrative one for our determination, and being supported by evidence was conclusive on the Court.

Subsequently, in an opinion in the same case denying appellant's petition for rehearing, 322 U. S. 198, the Supreme Court stated that if conditions had so changed since the submission of the case to us that the spotting service now performed by Staley is a part of the service covered by the line-haul rates that question could be presented to us and to the courts as it had not been presented or ruled upon by the Supreme Court in its opinion sustaining our order.

Thomson v. United States, 321 U. S. 19.

In this case the Supreme Court held invalid our order of November 26, 1941, in *Chicago & N. W. Ry Co., Common Carrier Application*, 31 M. C. C. 299, insofar as it denied the carrier's application for a certificate of public convenience and necessity authorizing continuance of operations previously instituted by it as a common carrier by motor vehicle in interstate commerce, of general commodities, between a number of its railway stations in Illinois, Iowa, Nebraska, Wisconsin, Michigan, and South Dakota. In our report, we had held that the carrier was not entitled to a certificate as a common carrier by motor vehicle for operations conducted for the railway company by indepen-

dent contractors, and our action was sustained by the district court. On appeal, the Supreme Court reversed, holding that the carrier could not be denied a certificate under the "grandfather" clause because its operations prior to the "grandfather" date were conducted under contract by independent operators. In our report, we had pointed out that the vehicles were supplied by the contractors and were operated under their direction and control, and were under their responsibility to the general public as well as to the shippers. Our conclusion that the operations were those of the truck operators in their own right and not those of the applicant railroad company was set aside, the Supreme Court holding that since the railroad held itself out to the general public to engage in a single complete transportation, as an integral part of which it provided motor service synchronized with rail service, it came within the definition of common carrier by motor vehicle. Thus, it was stated in the opinion of the Court, it is clear that the railway has undertaken to transport freight by "any other arrangement" within the meaning of the definition of common carrier by motor vehicle as including any person who undertakes "either directly or by a lease or any other arrangement" to transport passengers or property for the general public by motor vehicle. To permit the railroad to have a certificate as a motor carrier would not result, the Court said, in granting multiple "grandfather" rights, since it is the railroad alone which is entitled to common carrier "grandfather" rights as to the service it performs as a part of its unified freight service.

Casale, Inc. v. United States, 321 U. S. 752.

Without awaiting oral argument, the Supreme Court affirmed the decision of the district court sustaining our order of November 13, 1941, in Docket No. MC-20314, denying applicant's petition to withdraw its application for a certificate or permit, 31 M. C. C. 835. The decision of the lower court was reported in 52 Fed. Supp. 1005, and its action was affirmed on March 6, 1944, in a *per curiam* opinion. After applying originally for a certificate of public convenience and necessity or a permit authorizing contract carrier operations, the applicant alleged that it had abandoned all such operations and in lieu thereof was engaged solely in the business of renting equipment. It sought a ruling from us that the rental business did not constitute carriage, and requested the dismissal of the application upon that ground. As we were proceeding with the investigation when the applicant's attempted withdrawal was made, we denied such request, which denial is the subject of this suit. Our procedure was sustained by the Supreme Court.

Eastern Central Motor Carriers Assn. v. United States, 321 U. S. 194.

This case involved the lawfulness of motor-carrier rates, predicated upon so-called volume minima as compared with rates based upon

truckload minima. In *Rugs and Matting from East to W. T. L. Territory*, 31 M. C. C. 193, we disapproved the rates subject to volume minima. The district court sustained our order, 48 Fed. Supp. 432, but on appeal the Supreme Court held that the decision should have been set aside. Certain of the proposed rates, which applied on shipments of 30,000 pounds or more, were found not justified by us because the minimum weight was in excess of a normal truckload. The minimum was found to be a volume minimum weight rather than a truckload minimum, and it did not appear that economy in transportation supported the minimum. We had stated in our report that we adopted "as a policy the condemnation as unreasonable of a volume minimum weight, unless it is shown clearly that, as a result thereof, motor vehicles can handle the traffic at the volume minimum weight at costs per 100 pounds which are less than the costs incurred at a reasonable minimum weight."

The Court (three justices dissenting) was of the view that this statement was tantamount to adoption of a rule of law. Upon the facts stated in support of our conclusion, the Court felt itself unable to hold that our determination was legally sound. It said:

In returning the case we emphasize that we do not question the Commission's authority to adopt and apply general policies appropriate to particular classes of cases, so long as they are consistent with the statutory standards which govern its action and are formulated not only after due consideration of the factors involved but with sufficient explication to understand, with a fair degree of assurance, why the Commission acts as it does.

At the time the proposed schedules were filed, the differential according to weight was geared, in the case of the railway to rail carload capacity, and, in the case of the motor carriers, to truckload capacity. The proposed change in the schedule would give the motor carrier a rate advantage for shipments between the rates of 20,000 pounds, the approximate truckload capacity, and 30,000 pounds, the rail carload capacity.

The effect of the Commission's order of gearing the minimum rate requirements to the unit loading capacity of the carrier on the principle that lower rates would thus be justified on the basis of reduced costs is, the Court pointed out, to adopt, as a rule of law, the principle that only on a showing of reduction in operating costs may a volume minimum rate be found reasonable and not unduly discriminatory. The view taken by the Commission leaves completely out of consideration the necessities of intercarrier competition. The fact that a rail carload is 30,000 pounds and a truckload 20,000 pounds and rate receipts are tied to these weights may make a life or death difference in the competitive struggle between rail and motor carriers, with consequences affecting not only the carriers but the public interest as well.

The Court recognized that the question presented was novel and not free from complexity and emphasized that the result reached by the Commission might be sustained if a sufficient basis were supplied in the record, but, it was stated, "we cannot say the one at which it has arrived has the sanction of law without further basis than we now have."

The Court rejected the motor-carrier's contention that, as a matter of law, in the particular circumstances competitive necessity becomes the controlling consideration and costs of operation, that is, the requirement that minimum volume rates be geared to load capacity, become immaterial.

McLean Trucking Co. v. United States, 321 U. S. 67.

This was a suit to set aside our order of March 16, 1942, in *Associated Transport, Inc.—Control and Consolidation*, 38 M. C. C. 137, authorizing Associated to acquire control of Arrow Carrier Corporation of Paterson, N. J., and other carriers, through purchase of their capital stock and the consolidation into Associated Transport Inc. of the operating rights and property of said carriers for ownership, management, and operation, and in which we also authorized the issuance of a specified number of shares of preferred and common stock. The lower court sustained our report and order, 48 Fed. Supp. 933, despite a confession of error by the Department of Justice, and on appeal the Supreme Court by a 6-3 decision, affirmed the action of the district court.

The opinion first outlines briefly the proceedings before us, stating, among other things, that the proceedings were instituted by the filing of two applications by Associated Transport, by the first of which the applicant sought authority under section 5 of the act (1) to acquire control, through purchase of capital stock, of eight common carriers by motor vehicle and (2) to consolidate into itself, within 1 year, the properties and operating rights of these carriers, and by the second of which it sought authority under section 214 to issue specified shares of preferred and common stock to enable it to acquire, by exchange, the stocks of the said carriers and for other purposes; that hearings were held at which certain motor carriers and others, including the Anti-trust Division of the Department of Justice intervened; and that, after issuance of an examiner's report, the filing of briefs and exceptions and the hearing of oral argument, we issued our report and orders granting the applications. Following this, mention is made of the filing of complaint in court and the interventions and answers, including that of the United States confessing error, and reference is also made to our order, entered subsequent to the suit, which modified, on petition of the applicant, our original order by excluding Arrow Carrier from the transactions authorized.

The Court held that the validity of our order did not depend upon

a specific finding that the order would not result in a combination in violation of the Federal antitrust laws, and that the applicability of the provision of section 5 of the Interstate Commerce Act exempting carriers participating in an approved merger from operation of the antitrust laws is not conditioned upon such a finding.

In comment on the argument that the merger violated the Sherman Act and hence we were without power to approve the merger—an argument which would not apply to railway consolidations—the Court stated that to restrict the exemption to motor carriers in the manner urged would nullify its operation as to them and would run athwart the transportation policy which Congress has declared. The history of the development of the special national transportation policy suggests, quite apart from the explicit exemption provision of the Interstate Commerce Act, that the policies of the antitrust laws determine “the public interest” in railroad regulation only in a qualified way. Similarly the legislative history of part II adequately discloses that Congress recognized there may be occasions when competition between carriers may result in harm to the public as well as in benefit. Thus, it was pointed out, no other inference is possible but that, as a factor in determining the propriety of motor-carriers’ consolidations, the preservation of competition among carriers, although still of value, is significant chiefly as it aids in the attainment of the objectives of the national transportation policy.

The findings, which were supported by evidence, were held to indicate that we fulfilled our duty to estimate the scope and appraise the effects of the curtailment of competition which might result from the proposed consolidation and to consider them, along with the advantages of improved service, safer operation, lower costs, et cetera, in determining whether the consolidation would assist in effectuating the over-all transportation policy.

Also, the Court ruled that our determination that the merged company would not be affiliated with any railroad, in violation of the act, was not arbitrary or unreasonable.

United States v. Marshall Transport Co., 322 U. S. 31.

This was a suit to set aside our order of September 2, 1943, *Refiners Transport & Terminal Corp.—Purchase*, 39 M. C. C. 93, and 39 M. C. C. 271, dismissing Refiners’ application for authority to purchase property and franchises of Marshall Transport Co., another motor carrier, on the ground that Union Tank Car Corporation, a noncarrier already controlling Refiners, should join in the application. The lower court held, 52 Fed. Supp. 1010, that our order was erroneous, and we took an appeal to the Supreme Court which reversed the decision of the district court. This case settled a vexing question of interpretation of section 5 (2) of the Interstate Commerce Act. Subdivision (a) of that subparagraph provides that “it shall be lawful,

with the approval and authorization of the Commission * * * for any carrier, or two or more carriers jointly, to acquire control of another through ownership of its stock or otherwise; or for a person which is not a carrier and which has control of one or more carriers to acquire control of another carrier through ownership of its stock or otherwise; * * *." The Refiners Transport and Terminal Corporation, a common carrier by motor vehicle engaged in the interstate transportation of petroleum, and Marshall Transport Co., Inc., another common carrier similarly engaged, filed an application for authority to consummate a purchase of the latter by the former. On reconsideration of approval granted by division 4, we dismissed the application because it was not made also on behalf of the Union Tank Car Corp., which owned 83 percent of the capital stock of Refiners. A transaction of this kind could be viewed narrowly as a simple purchase of one motor carrier by another or broadly as an undertaking by a person not itself a carrier, Union, but having control of one carrier, Refiners, to acquire control of another carrier, Marshall. If the latter view prevailed, the controlling person under section 5 (3) of the act would become subject to a number of other regulatory controls. In reversing the district court, the Supreme Court examined the wording of the statute as well as its legislative history and determined that our approval is required for "the acquisition of control by a noncarrier through the purchase by a controlling carrier, of the property and business of another carrier," and that there could be no escape from this requirement because the transaction also involved a purchase which fell within the purchase provision of the statute.

The Court pointed out that the statutory prohibition against the acquisition of "control" of a motor carrier by a noncarrier, unless our approval is first obtained, governed this transaction, since there can be no more direct or positive manner of obtaining control than by outright purchase of another carrier's business and property, and the purpose of the act would be defeated if outright purchase, through the medium of a controlled subsidiary carrier, of another carrier's property and operating rights, were exempted, while control by purchase of stock of the other carrier through the same subsidiary remained within the act. The Court concluded that since the statute requires the "person" seeking authority for a transaction covered by the non-carrier control provision of the statute, to present an application to us, we rightly determined that we were without authority to approve such control unless the noncarrier filed its application with us.

Pyramid Moving Co. v. United States, 322 U. S. 715.

On June 5, 1944, without awaiting oral argument the Supreme Court, in a *per curiam* opinion in this case, affirmed the action of the lower court sustaining our orders of December 30, 1940, and July 28, 1943, in Docket No. MC-33500, *Pyramid Moving Co. Common Carrier*.

Application, 27 M. C. C. 261. Prior decisions of the Supreme Court control the issues in this case.

Interstate Commerce Commission v. City of Jersey City, 322 U. S. 503.

In this case the Supreme Court sustained our two orders of June 8, 1943, and November 2, 1943, in *Passenger Fares of Hudson & M. R. Co.*, 255 I. C. C. 649, and 256 I. C. C. 507. The carrier in this case operated an electric railway between New York and New Jersey, and by our prior order it was authorized to increase its fares, and on further limited hearing, a further slight increase was permitted. The lower court in a suit brought by the city, in which the Director of Economic Stabilization intervened, held that in reopening the proceeding on certain limited issues, we had denied a fair hearing, and that the increase in passenger fares violated the stabilization program of the Government, 54 Fed. Supp. 315. On our appeal to the Supreme Court, where the Department of Justice filed a brief in support of the lower court's decision setting aside our order, that Court upheld our conclusions. One of the questions presented was whether or not favorable consideration should be given to the testimony of the Office of Price Administration on the ground that it had a different standing before us than could be claimed by private litigants. This contention was rejected by the Supreme Court, and in answer to the Price Administrator's contention that we should have opened the entire question, on the rehearing, as to the propriety of raising the fare from the original charge in view of the inflationary tendency of the rate increase, the Court stood on the applicability of the rule that petitions for rehearings before administrative bodies are addressed to their own discretion. The fact that it is the Price Administrator, rather than a private litigant, who seeks to enlarge the scope of inquiry conducted by us in the limited rehearing does not abrogate the rule which strives for finality in administrative hearings, it was stated, unless the Administrator acquires a superior standing by legislative mandate.

In response to the Administrator's contentions, the Court said:

The delicacy of the Commission's task in wartime is no reason for allowing greater scope to judicial review than we are willing to exercise in peacetime. We think the weight to be given to the Price Administrator's contentions was for the Commission, not the Court, to determine. * * * If Congress desires to grant its own agencies greater privileges of judicial review than have been allowed to private parties, it is at liberty to do so, but it is not for the Court to set aside, without legislative command, its slow-wrought, general principles which protect the finality and integrity of decisions by administrative tribunals.

Chicago & North Western Ry. Co. v. United States, 320 U. S. 718.

In this case which involved the reorganization of the Chicago & North Western Ry. Co., the Supreme Court, without awaiting oral argument, affirmed the action of the district court dismissing the suit

for lack of jurisdiction upon authorities cited. A brief background is desirable. On April 18, 1943, the Supreme Court had denied petitions for writs of certiorari filed by the carrier to review a decision of the Circuit Court of Appeals, 126 Fed. (2d) 351, sustaining our determination concerning the Chicago & North Western Ry. Co.'s plan of reorganization under section 77 of the Bankruptcy Act. Upon such denial, the carrier approached us to reconsider the plan, by formal motion, to enable it to show the greatly increased war earnings, which motion we denied on June 7, 1943. Then the carrier filed a suit under the Urgent Deficiencies Act to set aside our order of June 7, 1943, in which suit we filed a motion to dismiss on the ground that having pursued the procedure relied upon by section 77 of the Bankruptcy Act in the district court, the same questions cannot be litigated in a three-judge court under the Urgent Deficiencies Act. The district court sustained this contention, 52 Fed. Supp. 65, and on appeal, without awaiting oral argument, the Supreme Court reached a like conclusion.

The Hanna Furnace Corp. v. United States, 323 U. S. —.

In this case the Supreme Court, without awaiting oral argument, on October 9, 1944, handed down a *per curiam* opinion sustaining our sixty-seventh supplemental report in *Ex Parte No. 104, Part II, Terminal Services*, 253 I. C. C. 613, upon prior decisions of the Court.

North Coast Transportation Co. v. United States, 323 U. S. —.

On October 9, 1944, without awaiting oral argument, the Supreme Court entered an order affirming the decision of the district court which had sustained our order of October 6, 1943, Docket No. MC-89037, 41 M. C. C. 269, wherein we had found that public convenience and necessity required operation by applicant as a common carrier by motor vehicle of passengers and baggage between San Francisco, Calif., and Seattle, Wash., over a regular route.

Other decisions of interest in connection with our work were:

Illinois Steel Co. v. Baltimore & Ohio R. Co., 320 U. S. 508.

In this case, the Supreme Court reversed a decision of a State court in Illinois, 316 Ill. App. 516, involving a construction of the uniform railroad bill of lading approved by us. The petitioner had made shipments over respondent's railroad of certain freight intended to be exported, and had prepaid the freight charges based on the export rail rates. At the rail destination the shipments were so handled by the consignee as to make higher domestic rates applicable, and respondent undertook to collect undercharges from the petitioner. The bill of lading contained a "nonrecourse clause" signed by petitioner providing that the carrier should not make delivery of the shipment without payment of freight and all other lawful charges. The question presented was whether a stipulation in the bill of lading for the prepayment of freight by the consignor restricted the operation of the nonrecourse

clause, so that, despite its presence in the bill of lading, recourse may be had to the consignor for charges in addition to those which were prepaid at shipment, the additional charges arising only by reason of events which occurred on or after the delivery of the shipments to the consignee. The provision in question exempts the consignor from liability for any undercharges when the carrier makes delivery without requiring payment by the consignee of any such undercharges.

The Court concluded "that the reasonable construction of the prepayment clause is that, with respect to these charges, it did not, either by its design or by the intention of the parties, curtail the operation of the nonrecourse clause so as to deprive the petitioner, the consignor, of the immunity from liability for which it was entitled to stipulate by the nonrecourse clause."

Mid-State Horticultural Co. v. Pennsylvania R. Co., 320 U. S. 356.

In this case, the Supreme Court reversed a decision of the Supreme Court of California, holding that the expiration of the period of limitation for actions by carriers to recover freight charges in section 16 (3) (a) of the Interstate Commerce Act extinguishes the right of action and does not merely bar the remedy. An agreement by a consignor to waive the statute in consideration of the carrier's forbearance to sue within the limitation period was therefore found to be invalid as contrary to the intent and effect of the provision before mentioned.

The Court brushed aside the question as to whether the noneffectiveness of the waiver agreement depended upon the statute creating a right which was extinguished at the termination of the limitation period, and based its decision solely on legislative intent, which was held to be not merely the regulation of the relations of carrier and shipper *inter se*, but the general public's interest in securing adequate nondiscriminatory transportation at reasonable rates. In accordance with this policy, it was stated, "rigid adherence to the statutory scheme and standards is required." The paramount policy of securing promptness in collections would not be promoted, the Court said, by construing the limitation period as variable when it works to bar the carrier's claim, but invariable when the shipper sues.

Southern Ry. Co. v. United States, 322 U. S. 72.

This case involved the method of computing the rate chargeable to the Government under a "freight-land grant equalization agreement." Such an agreement is a method used by non-land-grant railroads to meet competition for Government traffic against land-grant roads which are obligated to give the Government lower rates. The rule was established, in this decision, that an agreement by a non-land-grant road to equalize its tariffs with those available to the Government by use of an alternative route over a land-grant road must make such equalization conform with the tariffs computed by any alternative route chosen by the Government for computing

purposes, even though such route is a more circuitous route than that which would ordinarily be used for the transportation of Government-owned property. Thus, the words in the agreement, "lowest net rates lawfully available," were interpreted as meaning the lowest net rates which could have been obtained on the basis of tariffs on file with us.

California v. United States, 320 U. S. 577.

In this case, the Supreme Court sustained an order of the Maritime Commission finding that State and municipal waterfront facilities, used in foreign or interstate shipping, are subject to the Maritime Commission, and the Commission has authority to prescribe minimum charges with respect to terminal operations of the State of California and the city of Oakland.

In commenting on these authorities' contentions that they were not "common carriers by water," the Court stated that the withholding of rate-making power for services other than water carriage does not qualify the unlimited grant to the Commission of the power to stop effectively all unjust and unreasonable practices in receiving, handling, storing, or delivering property. The Court said it would defeat the purposes of Congress' plan for regulating waterfront terminals to exempt those operated by Government agencies.

A State and a municipality owning and operating wharfage and other terminal facilities were declared to be "persons" subject to regulation under sections 16 and 17 of the Shipping Act of 1916 and hence were covered by an order of the Maritime Commission regulating practices at such facilities and prescribing maximum free time and minimum charge schedules in operation at the terminal facilities. The "free time" refers to the length of time which a carrier may leave cargo on the dock awaiting loading or after unloading before wharf demurrage or storage is assessed. The Commission's order was based on findings that the terminals owned by the State and municipality allowed excessive free time and made no compensatory charges for their services.

The Court answered the objections of the State and the municipality by stating that "it is too late in the day to question the power of Congress under the Commerce Clause to regulate such an essential part of interstate and foreign trade as the activities and instrumentalities which were here authorized to be regulated by the Commission, whether they be the activities and instrumentalities of private persons or of public agencies."

Federal Power Commission v. Hope Natural Gas Co., 320 U. S. 591.

In this case, the Supreme Court, in a 5 to 3 decision, sustained a rate reduction order of the Power Commission, made under the Natural Gas Act of 1938. The order was based on "actual legitimate cost" less depreciation and depletion computed on the "economic

service life" basis. The Court rejected the contention of the company that proper regulation required the Commission to use as a base the "present fair value" of the property.

Mr. Justice Douglas, delivering the opinion of the Court, said:

The fixing of prices, like other applications of the police power, may reduce the value of the property which is being regulated. But the fact that the value is reduced does not mean that the regulation is invalid. * * * It does, however, indicate that "fair value" is the end product of the process of rate-making not the starting point * * *. The heart of the matter is that rates cannot be made to depend upon "fair value" when the value of the going enterprise depends on earnings under whatever rates may be anticipated. * * *

It is not the theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important.

The Court also found that the rates fixed cannot be condemned under the act as unjust and unreasonable from the investor or company viewpoint, but that they represent the balancing of investor and consumer interests.

In this case, the Court ruled that the Commission's determination as to the impropriety of rates charged between the passage of the act and the date of the order is not reviewable, since the determination is not an order capable of aggrieving a party within the meaning of the act; and the stockholders of a utility company should not be allowed to "feast" at the expense of gas consumers merely because a State has come to depend upon receiving "crumbs from that table."

Davies Warehouse Co. v. Bowles, Price Administrator, 321 U. S. 144.

The Court held that the appellant, a public warehouse designated as a "public utility" by State statute, was exempt from coverage of the Emergency Price Control Act of 1942 because it fell within the exemption provisions of the latter act, reading that "nothing in this act shall be construed to authorize the regulation of * * * (2) rates charged by any common carrier or other public utility."

Abrams v. Scandrett, 321 U. S. 770.

The Supreme Court on February 7, 1944, denied petition for writ of certiorari to review a decision of the Circuit Court of Appeals, reported in 138 Fed. (2d) 433, holding that we were not in error in fixing "nothing" as "maximum limit" for compensation requested by attorneys representing bondholders in a railroad reorganization proceeding under section 77 of the Bankruptcy Act, since the services rendered by the attorneys contributed nothing of value toward the reorganization plan.

Atlantic Coast Line R. Co. v. Blumenthal & Co., Inc., 321 U. S. 795.

On April 3, 1944, the Supreme Court denied petition for writ of certiorari, thus declining to disturb the decision of the lower court, reported in 139 Fed. (2d) 288. The lower court had held that a shipper

may recover from the carrier damages sustained on shipment of cotton goods when a boxcar containing the goods was thrown overboard from a carfloat while crossing a river during a hurricane, since the loss was due to the carrier's negligence. It was shown that the tug pulling the carfloat sailed despite available information that hurricane or high winds might be expected. The lower court held that an act of God does not relieve carrier from liability where negligence is shown. The Circuit Court of Appeals had also ruled that the findings of the district court with respect to the carrier's negligence presented questions of law and therefore were subject to review.

Brotherhood of R. R. Trainmen v. Toledo, P. & W. R. Co., 321 U. S. 50.

This case involved the refusal of a railroad to agree to arbitration under the Railway Labor Act. As a result of this failure, the Supreme Court held the carrier had failed to make "every reasonable effort" to settle a dispute with its employees, consequently injunctive relief could not be had under section 8 of the Norris-LaGuardia Act. The injunction was sought to restrain employees of the carrier from interfering by violence or threats of violence with its property in interstate railroad operations. The Court held that the conditions that (1) a complainant must comply with any legal obligations, or (2) make every reasonable effort to settle a dispute, must both be met in order to give a district court jurisdiction. The argument that the voluntary arbitration referred to in section 8 of the Norris-LaGuardia Act would become in effect "compulsory arbitration" was rejected, since the Court held the railroad may refuse to arbitrate with the result that it merely loses its right to an injunction but is still left with other legal remedies. In answer to the contention that section 8 does not apply when violence is involved, the Court stated that the terms of the statute "offer no support for such view."

Missouri Pacific R. Co. v. Thompson, 320 U. S. 806.

On November 8, 1943, the Supreme Court denied petition for writ of certiorari to review a decision of the Circuit Court of Appeals, 134 Fed. (2d) 139, which had held that the debtor railroad creditors and bondholders' protective committees do not have an appealable interest in an order entered by a bankruptcy court in railroad reorganization proceedings under section 77, which had denied their petition to require reorganization trustee to effect saving to the estate by compromising a claim of a secured creditor by cash payment, based on discussion of debtor with secured creditors' responsible officials.

By denying the writ, the Court refused to disturb this ruling.

Consolidated Freightways, Inc. v. United States, 320 U. S. 781.

On November 8, 1943, the Supreme Court denied petition for writ of certiorari to review a decision of the Circuit Court of Appeals, 136 Fed. (2d) 921, which had held that an interstate motor common

carrier, authorized by a certificate to operate between two States, has no legal right to use alternative route between terminal points of its legal operations, either on the theory that, in denying the use of the route, we had no authority to restrict the carrier's operations to particular highways, or on the theory that the prior acquittal of unauthorized use of a highway in prior years was *res judicata* as to its rights.

By denying certiorari, the Court declined to disturb this ruling of the lower court.

Phoenix-El Paso Express v. National Carloading Corp., 322 U. S. 747.

On May 22, 1944, the Supreme Court denied petition for writ of certiorari to review a decision of the Supreme Court of Texas, handed down December 15, 1943, 178 S. W. (2d) 133, holding that an amendment to the Interstate Commerce Act, 49 U. S. C. 1019, relieving freight forwarders and common carriers by motor vehicle from penalties and liabilities under motor-carrier provisions of the act on account of acts or omissions done prior to enactment of such amendment in connection with charges or payment of rates, operates retroactively to bar recovery in an action by a motor carrier against a freight forwarder for undercharges commenced prior to such amendment, even though right of action properly existed under motor-carrier provisions of the act when suit was instituted; also that the act granting relief from liability on account of acts or omissions done prior to enactment thereof is not unconstitutional because of retroactive effect. See 142 Tex. 141, and 178 S. W. (2d) 133.

By denying certiorari, the Court declined to disturb this ruling.

BUREAU OF LOCOMOTIVE INSPECTION

The work of this Bureau is shown in detail in the report of the director, published separately. Except as otherwise stated, the report here made is for the fiscal year ended June 30, 1944.

The following tables covering the fiscal years indicated are self-explanatory.

TABLE I.—*Reports and inspections—Steam locomotives*

	Year ended June 30—					
	1944	1943	1942	1941	1940	1939
Number of locomotives for which reports were filed.....	43,297	43,064	42,951	43,236	44,274	45,965
Number inspected.....	117,334	116,647	113,451	105,675	102,164	105,606
Number found defective.....	¹ 12,710	11,901	10,970	9,570	8,565	9,099
Percentage inspected found defective.....	11	10	10	9	8	9
Number ordered out of service.....	¹ 630	487	474	560	487	468
Number of defects found.....	56,617	51,350	44,928	37,691	32,677	33,490

¹ Of the locomotives found defective, only those with defects which rendered them unsafe for any service were ordered from service.

TABLE II.—*Accidents and casualties caused by failure of some part of the steam locomotive, including boiler, or tender*

	Year ended June 30—					
	1944	1943	1942	1941	1940	1939
Number of accidents.....	403	319	222	153	164	152
Percent increase or decrease from previous year.....	¹ 26.3	¹ 43.7	¹ 45.1	6.7	¹ 7.9	26.9
Number of persons killed.....	25	27	34	15	18	15
Percent increase or decrease from previous year.....	7.4	20.6	¹ 126.7	16.7	¹ 20.0	¹ 114.3
Number of persons injured.....	466	373	227	182	225	164
Percent increase or decrease from previous year.....	¹ 24.9	¹ 64.3	¹ 24.7	19.1	¹ 37.2	24.1

¹ Increase.TABLE III.—*Accidents and casualties caused by failure of some part or appurtenance of the steam locomotive boiler*¹

	Year ended June 30—							
	1944	1943	1942	1941	1940	1939	1915	1912
Number of accidents.....	141	129	81	43	67	52	424	856
Number of persons killed.....	17	25	30	12	16	15	13	91
Number of persons injured.....	194	173	83	64	110	55	467	1,005

¹ The original act applied only to the locomotive boiler.TABLE IV.—*Reports and inspections—Locomotives other than steam*

	Year ended June 30—					
	1944	1943	1942	1941	1940	1939
Number of locomotive units for which reports were filed.....	5,139	4,351	3,957	3,389	2,987	2,716
Number inspected.....	7,711	6,847	6,728	5,558	4,974	4,581
Number found defective.....	378	298	358	319	298	260
Percentage inspected found defective.....	4.9	4.4	5	6	6	6
Number ordered out of service.....	9	6	12	21	16	14
Number of defects found.....	1,026	849	928	905	766	696

TABLE V.—*Accidents and casualties caused by failure of some part or appurtenance of locomotives other than steam*

	Year ended June 30—				
	1944	1943	1942	1941	1940
Number of accidents.....	17	15	9	11	7
Number of persons killed.....	23	18	9	11	7
Number of persons injured.....					

INVESTIGATION OF ACCIDENTS AND GENERAL CONDITION OF LOCOMOTIVES

All accidents reported to the Bureau as required by the law and rules were carefully investigated and appropriate action taken to prevent recurrence as far as possible. Copies of reports of accident investigations were furnished to interested parties when requested and otherwise used in our effort to bring about a diminution in the number of such accidents.

STEAM LOCOMOTIVES

Four hundred and three accidents occurred in connection with steam locomotives, resulting in 25 deaths and 466 injuries. This represents an increase of 84 accidents, a decrease of 2 in the number of persons killed, and an increase of 93 in the number of persons injured compared with the preceding year.

During the year, 11 percent of the steam locomotives inspected by our inspectors were found with defects after railroad inspection, that should have been corrected before the locomotives were put into use; this represents an increase of 1 percent compared with the next preceding year. Six hundred and thirty locomotives were ordered withheld from service by our inspectors because of the presence of defects that rendered the locomotives immediately unsafe; this is an increase of 143 locomotives as compared with the next preceding year.

The period covered by this report was the most difficult thus far encountered in the history of American railroads in which properly to maintain locomotives. This was due to war conditions which made it necessary to use to their maximum capacity all locomotives that were capable of rendering service. The problems that have confronted the Commission's inspectors in the matter of withholding locomotives from service when found defective have required and received the most careful consideration. Locomotives found defective were not ordered out of service if investigation developed that such defects did not render them unsafe for the service to which they were put.

EXPLOSIONS AND OTHER BOILER ACCIDENTS

All of the 19 explosions that occurred in the fiscal year, in which 12 persons were killed and 62 injured, were caused by overheating of the crown sheets due to low water. There was a reduction of 6 in the number of boiler explosions, a reduction of 12 in the number of persons killed, and an increase of 6 in the number of persons injured as compared with the preceding year.

Five of these explosions, in which, with one exception, the boilers were torn from the running gears or frames, were particularly violent.

One of these accidents occurred while the locomotive was hauling a passenger train at an estimated speed of 70 miles per hour. The boiler was hurled about 700 feet forward from the point of explosion; it turned over in flight and alighted on the track ahead of the train, then bounded and came to rest 900 feet from the point of explosion about 35 feet from the track. All wheels of the locomotive, the tender, the first 10 cars, and the front truck of the eleventh car, were derailed. The fifth and sixth cars came to rest in V shape across the tracks, and the running gear of the locomotive and the tender came to rest 1,300 feet from the point of explosion. The firebox crown

sheet with upper part of door sheet and parts of both side sheets attached alighted, turned inside out, 400 feet forward and 100 feet to the right of the point of explosion. Three employees were killed, and 9 mail clerks, 5 pullman porters, and 15 dining-car employees were seriously injured.

In the remaining 18 accidents, 9 employees were killed, and 1 was fatally injured. Thirty-two other employees were seriously injured.

Occurrence of explosions caused by overheating of crown sheets due to low water, with consequent loss of life and serious injuries and damage to locomotives, clearly points to the necessity for the utmost vigilance in the maintenance of safe water level, and for extinguishing the fire promptly in the event a safe water level cannot be maintained.

Boiler and appurtenance accidents, other than explosions, resulted in the death of 5 persons and injuries to 132 persons. This is an increase of 4 deaths and an increase of 15 injuries as compared with the preceding year.

EXTENSION OF TIME FOR REMOVAL OF FLUES

One thousand four hundred and four applications were filed for extensions of time for removal of flues, as provided in rule 10 of the Rules and Instructions for Inspection and Testing of Steam Locomotives. Our investigations disclosed that in 46 of these cases the condition of the locomotives was such that extensions could not properly be granted. Sixteen were in such condition that the full extensions requested could not be authorized, but extensions for shorter periods of time were allowed. Fifty-nine extensions were granted after defects disclosed by our investigations had been corrected. Forty applications were canceled for various reasons. One thousand two hundred and forty-three applications were granted for the full period requested.

MECHANICAL STOKERS

Our Order No. 24049, dated March 18, 1939, in *Johnston v. Atchison, I. & S. F. Ry. Co.*, 225 I. C. C. 519, established rule 118 (c) of the Rules and Instructions for Inspection and Testing of Steam Locomotives. It requires that all coal-burning steam locomotives which weigh on driving wheels 160,000 pounds or more, and which are used in fast or heavy passenger service, and all coal-burning steam locomotives which weigh, on driving wheels 175,000 pounds or more and which are used in fast or heavy freight service, built on or after April 15, 1939, be equipped with a suitable type of mechanical stoker and that such stokers be properly maintained. The rule also required each railroad which operated coal-burning locomotives of the above weights to file with the Bureau of Locomotive Inspection as of April 15, 1939, lists

of all hand-fired locomotives of the specified weights built prior to April 15, 1939, which would in the future be used in fast or heavy service. It also required that mechanical stokers be applied in each 12-month period to not less than 20 percent of the total number so listed, that all locomotives included in the lists be so equipped before April 15, 1944, and that such stokers be properly maintained.

The number of hand-fired locomotives built prior to April 15, 1939, and reported by the railroads as of that date as subject to rule 118 (c) was 2,171. The lists filed by the railroads were revised from time to time as the war, and the railroads' inability to obtain a sufficient number of new locomotives satisfactorily to handle the greatly increased traffic made it necessary to use in fast or heavy service all locomotives that could be made available for such use. These revisions in the lists, after adjustments due to conversion of some hand-fired locomotives to oil burners, replacements with new stoker-equipped locomotives, assignments to other than fast or heavy service, and retirements, resulted in the application of stokers to 3,648 locomotives before expiration of the time limit on April 15, 1944. This number is 1,477 in excess of the number originally reported by the railroads. Extensions of time for equipment of 245 locomotives with stokers, all of which expire on or before December 31, 1944, were granted, pending repair of the locomotives involved. Stoker application to these locomotives is proceeding currently.

The equipment of these locomotives with mechanical stokers contributed materially to the ability of the railroads successfully to handle wartime traffic. The boilers of these locomotives are, in general, of such capacity that it is difficult, if not impossible, to maintain maximum power over any considerable period of time by hand firing without hazard of physical exhaustion of the firemen. The installation of mechanical stokers resulted in making available the maximum power of the locomotives when needed and for extended periods, thus increasing their usefulness and efficiency in the movement of present-day traffic, which, despite its heavy volume, has been moved with unprecedented speed.

Another important result of the application of mechanical stokers to these locomotives has been a saving in manpower and labor turnover, and a reduction in lost working time, or absenteeism, of the firemen. Hand firing was an arduous task even before the present conditions prevailed and often necessitated longer rest periods than would otherwise have been necessary. Many employees now regularly employed in the firing of stoker-equipped locomotives in all probability would have been compelled, for reasons of health, to give up this occupation if mechanical stokers had not been substituted for hand firing.

LOCOMOTIVES PROPELLED BY POWER OTHER THAN STEAM

There was an increase of two in the number of accidents occurring in connection with locomotives using other than steam power and an increase of five in the number of persons injured as compared with the preceding year. No deaths occurred in either year.

During the year 4.9 percent of the locomotives which we inspected were found to have defects that should have been disclosed by railroad inspection and corrected before these locomotives were put into use. This represents an increase of 0.5 percent compared with the results in the preceding year. Nine locomotives were ordered withheld from service by our inspectors because of the presence of defects that rendered the locomotives immediately unsafe. This represents an increase of three locomotives compared with the next preceding year.

SPECIFICATION CARDS AND ALTERATION REPORTS

Under rule 54 of the Rules and Instructions for Inspection and Testing of Steam Locomotives, 583 specification cards and 5,996 alteration reports were filed, checked, and analyzed. These reports are necessary in order to determine whether the boilers were so constructed or repaired as to render safe and proper service and whether the stresses were within the allowed limits. Corrective measures were taken with respect to numerous discrepancies found.

Under rules 328 and 329 of the Rules and Instructions for Inspection and Testing of Locomotives Other Than Steam, 793 specifications and 28 alteration reports were filed for locomotive units, and 117 specifications and 100 alteration reports were filed for boilers mounted on locomotives other than steam. These were checked and analyzed, and corrective measures taken with respect to discrepancies found.

SPECIAL WORK

In response to requests from military and naval authorities and other government agencies engaged in the war effort, inspections of a number of locomotives were made to determine their condition and suitability for use, and cooperative assistance was rendered in other respects. These locomotives are being generally maintained to the standard prescribed by the locomotive inspection law, and rules governing the condition of locomotives used on the lines of common carriers and inspections are currently made by our inspectors.

APPEALS

One formal appeal from a decision of an inspector, under the applicable statute, was taken during the year. The decision of the inspector was upheld.

BUREAU OF MOTOR CARRIERS

In our last annual report, we commented on the unprecedented shortage of equipment, drivers, mechanics, and repair facilities with which motor carriers were confronted. This shortage has been aggravated during the past year, yet the war need for motor transportation has been met except in a few isolated instances.

There are indications that motor carriers are preparing to adjust their activities as promptly as practicable to the new conditions which will be brought about upon a cessation of hostilities on the European front. If there is an abrupt curtailment of war production in any area, many of those transporting a large proportion of war materials will find themselves without an adequate supply of other traffic to keep their present facilities busy. In any section in which a surplus of motor transportation results, we anticipate that there will be keen competition between the motor carriers for the traffic which remains with an attendant filing of applications for new authorities, and efforts may be made to attract traffic to individual lines by the establishment of rates at or below the lower levels of the zone of reasonableness. We shall endeavor to handle all new applications promptly, and we shall watch new filings of reduced rates to avert any recurrence of destructive rate wars between motor carriers.

Increased operating expenses, particularly wages, have been marked, and in some areas rates have been subjected to general increases to offset these increased expenses. We referred in our last annual report to *Increased Common Carrier Truck Rates in the East*, 42 M. C. C. 633, in which division 2 allowed a general increase of 4 percent in the rates of motor common carriers within trunk-line territory, and between trunk-line territory, on the one hand, and New England, on the other. A similar general increase was allowed by division 3 in the rates of motor common carriers within New England in *Increased Common Carrier Truck Rates in New England*, 43 M. C. C. 13. Following the general increase in New England, general increases in a like amount were made in the motor common carrier rates between other areas in official territory, within the South, and between the South and official territory. Although some protests to the latter increases were filed, they were permitted to become effective. As a result of these general increases, the rates of most motor common carriers east of the Mississippi River are now 10 percent higher than those of competing railroads.

Notwithstanding the general increases in the rates in some areas, many motor carriers have found it difficult to continue in business in the face of rising costs. Our field staff has kept in close touch with this situation and has submitted reports to us dealing with the condition of numerous carriers. Assistance has been rendered by our field

staff, where possible, in outlining economy programs in an effort to keep in operation as many motor carriers as may be needed.

Applications to institute new operations and for temporary authority, and unification applications, have increased to some extent over those filed during the preceding year. We have continued our practice of refusing to grant permanent authority where there are indications that the need for service will not outlast the present war emergency.

In *Motor Carrier Insurance for Protection of the Public*, 43 M. C. C. 355, division 5 prescribed minimum financial standards for insurance companies desiring to insure motor carriers. Stock insurance companies are required to have and maintain policyholders' surplus funds of not less than \$200,000, of which not less than \$150,000 shall be in the form of paid-in capital, and nonstock companies issuing non-assessable policies are required to have and maintain a surplus to policyholders of not less than \$200,000. Those nonstock companies issuing policies on an assessable basis only must have and maintain a surplus to policyholders of at least \$150,000.

A revision of the uniform system of accounts prescribed for class I motor carriers of property is under consideration with a view to reflecting in the carriers' accounts more detailed information respecting the costs of performing the transportation service and developing data which will assist the managements of the carriers.

Assistance was rendered by our field staff to motor carriers, the Army, the Navy, and war-plant officials in correcting and preventing transportation bottlenecks, congestions, and breakdowns.

SECTION OF ACCOUNTS

Up to the present time uniform systems of accounts have been prescribed only for class I motor carriers, which are defined as those having average gross operating revenues (including interstate and intrastate) of \$100,000 or more annually from motor-carrier operations. On October 31, 1944, there were 1,824 carriers of property, 245 carriers of passengers, and 33 carriers of both property and passengers subject to these regulations as contrasted with 1,578 carriers of property, 214 carriers of passengers, and 28 carriers of both property and passengers on the same date last year.

All class I motor carriers are required to file quarterly and annual reports, and class I motor carriers of passengers are required to file monthly reports as authorized by section 220 of the Interstate Commerce Act. These reports are subjected to a detailed office examination for the purpose of detecting errors, omissions, and inconsistencies in order that the reports may be corrected where necessary.

The following shows the number of monthly, quarterly, and annual reports received and examined for errors in preparation and improper accounting practices during the year ended October 31, 1944 (corresponding data for the preceding year are also given):

	1943		1944	
	Received	Examined	Received	Examined
Monthly reports—passenger.....	2,622	2,494	3,129	3,364
Quarterly reports—passenger.....	910	1,007	1,185	1,018
Quarterly reports—property.....	6,560	6,722	7,455	6,672
Annual reports—property and passenger.....	1,596	1,590	1,794	1,793

Our accountants conducted examinations of the accounts and records of 948 class I motor carriers, and such carriers were informed of changes necessary to bring their accounting procedures into conformity with our requirements.

The section handled 394 accounting cases in connection with mergers, consolidations, and acquisitions of control under section 5, and 1,530 financial and income statements filed with applications for transfer of rights under section 212.

Other duties performed during the year included the preparation of financial and statistical exhibits, and other data, for introduction in rate cases; examinations of accounts and records of motor carriers for the purpose of obtaining evidence as to alleged violations of the act and regulations issued pursuant thereto for use by the Section of Law and Enforcement; and the supplying of information to the Office of Defense Transportation and other war agencies.

SECTION OF CERTIFICATES

As our annual report for 1937 described in detail the duties of the Section of Certificates, this report will consist of (a) a summary of the status of the various applications handled by this section; (b) a statement showing the number of carriers, other than temporary, and brokers whose operations are subject to regulation under part II of the Interstate Commerce Act; and (c) summarized information relating to (1) the issuance of identification plates; (2) transfers and leases under section 212 (b); (3) temporary authority granted under sections 210a and 204 (f); (4) applications for certificates of exemption under section 204 (a) (4a); and (5) applications for authority to temporarily suspend operations under section 204 (f).

Applications for certificates, permits, licenses, temporary authority, exemption, and operations under second proviso, section 206(a) filed since enactment of part II of the Interstate Commerce Act.

	Cumulative to Oct. 31, 1943	Nov. 1, 1943 to Oct. 31, 1944	Cumulative to Oct. 31, 1944
"Grandfather" applications filed on and prior to Feb. 12, 1936.....	¹ 82, 450	² 317	82, 767
"Grandfather" applications filed after Feb. 12, 1936.....	6, 707	37	6, 744
Applications for authority to institute new operations.....	¹ 20, 007	1, 317	21, 324
Applications for authority to conduct broker operations.....	1, 221	20	1, 241
Statements under second proviso section 206(a).....	3, 306	316	3, 622
Applications for temporary authority under sections 210a (a) and 204 (f).....	11, 630	5, 482	17, 112
Applications for exemption of one-State operations under sec- tion 204 (a) (4a).....	75	6	81
Total applications received.....	125, 396	7, 495	132, 891
Applications approved.....	37, 130	4, 527	41, 657
Applications denied, dismissed, or withdrawn.....	86, 855	3, 033	89, 888
Applications pending.....	1, 411	-65	³ 1, 346
Total.....	125, 396	7, 495	132, 891

¹ 926 broker applications previously counted as "grandfather" and 295 as new operations now segregated as "Applications for authority to conduct broker operations."

² The increase in the number of "grandfather" filings results from the transfer of portions of operating rights or the separation of applications involving more than one type of operation.

³ Of the 1,346 applications pending, 121 are filed under the "grandfather" clauses of the act, sections 206 (a) and 209 (a), by motor carriers who claim to have been in bona fide operation on June 1, 1935, as common carriers, or July 1, 1935, as contract carriers. The carriers filing such applications are authorized by the act to continue operations pending determination of their applications.

The following table shows the number of carriers and brokers engaged in motor-vehicle transportation activities whose operations are subject to regulation under part II of the act. This information, not heretofore available, appears for the first time in this report. Motor carriers operating exclusively under temporary authority granted under sections 210a (a) and 204 (f) are not included. Carriers to whom operating authority was issued but who have been authorized to suspend operations temporarily, are included.

	<i>Motor carriers</i>	<i>Cumulative to Oct. 31, 1944</i>
Property carriers:		
Common, issued certificates under sections 206 or 207.....	¹ 16, 309	
Common under second proviso of section 206(a).....	1, 330	
Contract, issued permits under section 209.....	3, 240	
"Grandfathers", no final authority issued.....	122	
Late "Grandfathers", no final authority issued.....	57	
Total property carriers.....	21, 058	
Passenger carriers:		
Common, issued certificates under sections 206 or 207.....	¹ 1, 291	
Common under second proviso of section 206(a).....	182	
Contract, issued permits under section 209.....	9	

¹ 231 carriers of property and 30 carriers of passengers also conduct some additional operations under the second proviso of section 206(a).

Motor carriers—Continued

Passenger carriers—Continued.	<i>Cumulative to Oct. 31, 1944</i>
“Grandfathers”, no final authority issued.....	5
Late “Grandfathers”, no final authority issued.....	11
Total passenger carriers.....	1, 498
Total motor carriers.....	22, 556

Brokers issued licenses under section 211 of the act

Property.....	74
Passenger.....	67
Total brokers.....	141

Identification plates.—During the year, 480 identification plates were issued, bringing the total plates issued to 399,922. To date, a total of \$99,980.50 has been transmitted to the Treasury of the United States in payment therefor. Plates voided or surrendered after cancellation or transfer of operating authorities, or reported lost or destroyed, total 119,810, leaving outstanding 280,112 valid identification plates in the hands of 20,552 carriers. New plates are no longer being supplied.

Applications for transfer of operating rights.—There were submitted, during the year, 1,568 applications for substitution, transfer, or lease under section 212 (b). During the year, 1,460 such applications have been granted and 101 dismissed or denied. To date, 14,456 such applications have been submitted, of which 13,153 have been granted and 1,212 dismissed or denied. Ninety-one are now under consideration.

Temporary authority under sections 210a (a) and 204 (f).—During the past year, 5,482 applications were filed for temporary authority under sections 210a (a) and 204 (f). Upon a showing that there was an immediate and urgent need for service and that there was no carrier within the territory capable of meeting the need, 4,828 such applications were granted. Seven hundred and nine did not disclose such facts and were denied. The issuance of final orders upon 156 of the applications granted awaits the filing of appropriate rate publications and evidence of insurance. Since 1938, when this type of authority was first authorized, 17,112 applications have been filed, of which 13,263 have been approved, 3,631 denied, and 218 are under consideration. The number of applications for temporary authority filed during the year increased 884 percent over the number filed during the year ending October 31, 1940, before the national emergency was declared.

Applications for exemption under section 204 (a) (4a).—During the past year, 6 applications were filed for certificates of exemption under section 204 (a) (4a). Five certificates of exemption have been released during the year, and 5 applications have been dismissed or denied. To date, 81 such applications have been submitted. In 25 instances, certificates of exemption have been issued, and 53 applications have been dismissed or denied. Three are now under consideration.

Applications for temporary suspension of operations.—There were received, during the year, 770 applications for authority temporarily to suspend operations under section 204 (f). Since that section was added to the act in March 1942, 2,773 such applications have been received, of which 2,185 have been acted upon, 489 withdrawn, and 99 are under consideration. The majority of these applications have been granted, principally for reasons relating to military service, personnel shortages, changes in industrial production, and wartime bans on nonessential transportation services.

SECTION OF COMPLAINTS

The following indicates the condition of the docket of application matters for the year ending October 31, 1944 (corresponding figures for the year ending October 31, 1943, are also given):

	1943	1944
Application proceedings received by section for handling	1, 106	1,099
Hearings	961	1, 121
Proceedings under submission at end of period	397	188
Proceedings disposed of	2, 177	1, 416
Reopened	228	282
Number of proceedings pending	833	798

Five hundred and thirty-five petitions were handled in application matters.

The following indicates the condition of the docket of rate proceedings and proceedings other than application matters for the year ending October 31, 1944 (corresponding figures for the preceding year are also given):

	1943	1944
Formal complaints filed	23	27
Subnumbers	—	4
Investigations instituted	9	29
Investigation and suspension cases instituted	194	154
Hearings	122	147
Proceedings under submission at end of period	47	49
Proceedings disposed of, including subnumbers, reopened cases, and cases instituted in the preceding year	306	221
Reopened	1	10
Number of cases pending	162	165

During the year, we decided 27 complaint and answer cases and 73 investigation and suspension proceedings, including in each instance cases left from the preceding year.

Eleven complaint and answer cases and 90 investigation and suspension cases were dismissed at the request of the parties. We decided 10 and dismissed 10 of the investigations instituted by us, including some which had been instituted in the prior year.

SECTION OF FINANCE

The duties of this section, relating generally to unifications of motor carriers and issuance of securities, have been detailed in prior reports. The problems with which all motor carriers were faced in the third year of war forced an increased number to dispose of their operations to others relatively better situated to cope with such problems, as lack of experienced personnel, obsolete equipment, and rising costs of operation, and the trend toward integrated systems of individual carriers continues.

A summary of formal cases handled by the section during the past two report years follows:

	Received				Disposed of				On hand	
	During year		Cumulative		During year		Cumulative			
	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944
Initial disposition										
a. Applications under section 5 (213) for approval of unifications, including pooling.....	318	329	2, 141	2, 470	302	262	1, 973	2, 235	168	235
b. Applications under section 214 for authority to issue securities or to assume obligation or liability.....	12	14	204	218	13	18	197	215	7	3
Reopened cases under sections 5 (213) and 214, as above.....	7	11	41	52	11	4	38	42	3	10
Temporary authority applications under section 210a (b), applicable to unification cases.....	135	133	703	836	137	133	697	830	6	6
Total of above.....	472	487	3, 089	3, 576	463	417	2, 905	3, 322	184	254
Petitions—general.....	215	309	1, 020	1, 329	168	279	962	1, 241	58	88

In the disposition of unification proceedings in motor-carrier cases, we now consider questions of public convenience and necessity when such questions are directly related to the unification transaction instead of requiring separate proceedings for their determination. An additional issue necessary for consideration in these proceedings arises out of the fact that a noncarrier person seeking to expand the operations of a carrier it controls now must become a party to that carrier's application under section 5 for such expansion in order that, among other reasons, we may determine to what extent, if any, such person should thereafter be subjected to specified provisions of the act as authorized by section 5 (3).

Investigations under sections 5 (7) and 411 (d), instituted on our own motion during the preceding year into the control of Interstate Motor Freight System, resulted in a finding that such control in a common interest with other motor carriers and with freight forwarders had been accomplished and was continuing in violation of sections 5 (4) and 411 (a). *United States Freight Co.—Investigation of Control*, 39 M. C. C. 623. Respondents United States Freight Co. and Hickok Oil Corporation have been ordered to divest themselves, on or before December 31, 1944, of all interest either of them has in the capital stock of Interstate Motor Freight System.

Investigations have been instituted under section 5 (7) to determine whether the provisions of section 5 (4) have been violated through control or management in a common interest of (a) The Southern Limited, Inc., with the Greyhound Corporation or carriers controlled by it, and (b) Southeastern Stages, Inc., with Atlantic Greyhound Corporation, and other carriers affiliated with it.

SECTION OF INSURANCE

During the past year, this section received, examined for approval, and filed 51,186 certificates of insurance, 669 surety bonds, 9,308 notices of cancelation of policies of insurance and surety bonds, and 1,063 rescinders of notices of cancelation and notices reinstating previously canceled policies of insurance and surety bonds. It also investigated the qualifications of 4 motor carriers who were seeking authority from us to self-insure their automobile bodily injury and property damage liability to the general public and their liability to shippers and consignees for loss of or damage to shipments. In addition, the section received and analyzed 171 financial statements from motor carriers previously found qualified and authorized to self-insure, or from corporate sureties, other than surety companies approved by the United States Treasury Department under the "Corporate Surety Act," which had been approved by us on the basis of their corporate authority and financial condition. This examination included an analysis of the financial statements of the applicants with particular attention to the reserves maintained for discharging obligations to the general public arising out of accidents or the loss of or damage to shipments.

In connection with its duty to keep us currently advised of any apparent inadequacy in the financial resources or general stability of insurance companies filing certificates of insurance with us on behalf of motor carriers, the section examined and analyzed complete financial statements from 131 of the 412 insurance companies concerned.

At the present time, certificates of insurance, surety bonds, or qualifications as self-insurers are on file for approximately 21,000

motor carriers of passengers and property covering their liability to the public for the payment of final judgments against them resulting from the negligent operation, maintenance, or use of motor vehicles in interstate or foreign commerce, and approximately 16,700 motor common carriers of property have insurance or other security on file covering their liability to compensate shippers and consignees for loss of or damage to cargo.

SECTION OF LAW AND ENFORCEMENT

Work of Enforcement Branch

The status of complaints and litigation during the year is as follows:

Complaints on hand Nov. 1, 1943.....	1, 112
Complaints since received.....	882
Total complaints requiring attention.....	1, 994
Complaints closed (investigations concluded and reviewed).....	1, 379
Complaints pending (investigation by field staff instituted or pending)....	615
Total.....	1, 994
Classification of violations (including complaints charging more than one violation):	
Operating without authority.....	538
Nonobservance of rates and charges on file.....	285
Unification without authority.....	12
Nonobservance of safety regulations.....	180
Insurance requirements.....	168
Accounting requirements.....	26
Miscellaneous.....	45
Total.....	1, 254

	Civil	Criminal	Total
Cases involving litigation, on hand at beginning of current year.....	3	91	94
Recommended for litigation.....	10	309	319
Court cases instituted.....	7	320	327
Court cases concluded.....	10	329	339
Cases awaiting institution.....	2	72	74

The foregoing figures present a summary of the work done by the enforcement branch. Of the 339 court cases concluded during the year, 329 involved statutory violations of a criminal nature and resulted in penalties totaling \$151,643. There were acquittals in 3 cases, and the Department of Justice moved dismissal of 17 cases for various reasons.

Appropriate decrees were entered in 6 of the 10 civil cases terminated during the year. Three civil cases were dismissed on motion of the Government. One civil case was lost.

Complaints received during the year numbered 882, as compared with 864 for the preceding year.

The number of complaints closed, recommendations for litigation,

court cases instituted, and cases approved for litigation but awaiting filing in court, embracing all cases in which this section effected such disposition as was within its means of accomplishment, total 2,099. This total exceeds the total complaints on hand November 1, 1943, and complaints since received.

Difficulties of a practical nature have been encountered in the enforcement of section 220 and certain other provisions of part II relating to the keeping of records and the filing of reports and other documents with us by motor carriers and brokers and their employees due to the fact that under section 222 violations of those provisions are punishable only by fines in criminal proceedings. For example, in prosecuting drivers for the making of false records in logs, doubt often arises as to the particular district in which the false record was made where the driver may have passed through more than one judicial district. In cases of failure to comply with requirements governing the filing of reports with us the venue for the prosecution is in the District of Columbia, in which our principal office is situated. It is not desirable to concentrate prosecutions for minor offenses of this kind in the courts of the District of Columbia, apart from the needless expense and inconvenience to the defendant which is thus entailed. To avoid such difficulties, we are recommending elsewhere in this report that an additional remedy for violations of the provisions before mentioned be authorized in the form of a civil action for recovery of forfeitures. Such an action could be brought in the district where the defendant is located, and would make it unnecessary for him to come to the District of Columbia for trial. The establishment of this remedy by amendment of section 222 would be consistent with numerous provisions of part I of the Interstate Commerce Act and supplementary statutes which are enforceable by forfeiture suits.

Work of Law Branch

An important phase of the work of this branch is to prepare opinions on questions arising under part II of the act. During the past year, 886 requests for opinions on questions of law were received, and 1,143 letters and memoranda relating to such questions were written. The law branch also has done considerable work in the drafting of modifications to the safety regulations, particularly those pertaining to the transportation of explosives and other dangerous articles, which were necessitated by war conditions. These duties included the preparation of necessary reports and orders pertaining to such regulations. The law branch also participates in the coordination of our administrative functions with those of the Wage and Hour Division of the Department of Labor so far as these pertain to part 5 of our safety regulations and to the maximum hours of service pro-

visions of the Fair Labor Standards Act, respectively. This participation is effected through a joint committee organized for that purpose.

Included in the law branch is a briefing unit which conducts research into important questions of law and prepares general memoranda upon those questions, and also prepares briefs and memoranda discussing specific points of law and pertinent decisions for use in court proceedings. During the past year, this unit prepared a total of 203 briefs and memoranda.

Since our last report, the law branch has handled 1,189 informal complaints, chiefly by correspondence with motor carriers and other parties in interest. These complaints involved overcharges by carriers, failure of carriers to make prompt or adequate settlement of loss or damage claims, failure to comply with tariff provisions, and the questions of law and policy connected therewith.

SECTION OF SAFETY

Because of shortage of office personnel to prepare over-all statistics of motor-carrier accidents, it has been necessary to delay part of this work, and attention has been focused upon special studies of accidents involving mechanical defects, fires, and similar hazards.

As the result of these studies, the following bulletins and reports were issued during the year: Tire Fires are Increasing (November 1943), Winter Hazards (November 1943), Analysis of Mechanical Defect Accidents of Passenger- and Property-Carrying Vehicles and Combinations, 1942 (February 1944), Motor Carrier Fire Accidents, 1942 (March 1944), and Motor Carrier Fire Accidents, 1943 (August 1944).

Ordinarily the practice of carrying standing passengers in busses is so infrequent that we have never found it necessary or practicable to prescribe rules limiting the passenger capacity of busses. During the war, however, the great demand for bus transportation and the shortage of such equipment have combined to increase enormously the carrying of standees. Appropriate measures have been taken to obtain observance of our rule prohibiting the loading of busses so as to obscure the driver's view or to hinder his operation of the vehicle.

Accidents caused by drivers falling asleep at the wheel continued to increase in 1943, but have shown a substantial reduction during the first 6 months of 1944. In this connection, a close watch has been kept on motor carriers' reports of excess hours of service of drivers, and, although there has been a widespread use of drivers beyond the hours permitted by our regulations, measures have been taken to reduce the hazard of the sleepy driver.

During the winter of 1943-44, considerable difficulty was experienced in heating tractor-semitrailer busses, and several fires occurred because of the use of unsafe makeshift heating devices. In the past

several months, the section has formulated requirements for heaters in passenger-carrying vehicles which have recently been the subject of a public hearing.

Despite the exigencies of wartime transportation, compliance with rules essential to prevention of accidents has been enforced, and many carriers and drivers have been prosecuted during the year. Carriers have been prosecuted for employing drivers under the minimum age, failure to require medical examination of drivers, failure to require drivers to keep logs, requiring drivers to work excessive hours, aiding and abetting drivers in the falsifying of logs, and failure to report accidents. A number of drivers have been prosecuted for failure to keep logs or for falsifying their logs.

Throughout the year, the section has worked on safety matters in close cooperation with the War Department, the Office of Defense Transportation, the National Bureau of Standards, the Public Roads Administration, and many scientific and enforcement agencies and associations of the bus and truck industries.

SECTION OF TRAFFIC

The functions of this section were described in our fiftieth annual report. The general character and volume of the work have shown little change.

The number of applications for temporary authority to establish new and extended operations continues to increase. The emergency character of these operations, more than 90 percent of which are in furtherance of the war effort, calls for expedited handling in order that the transportation service may be instituted promptly. Rates to cover such operations are generally established on short notice under special-permission authority. During the period covered by this report, this section acted upon the rate matters involved in 5,664 temporary authority applications.

As stated in the last two annual reports, this section had been assigned the task of advising and assisting freight forwarders in the filing of appropriate tariffs containing joint freight forwarder-motor carrier rates authorized by section 409 of part IV of the act.

Motor common carriers of passengers and property have filed during the year 48,412 tariff publications. Motor contract carriers of property have filed 2,239 schedules of minimum rates and charges. Freight forwarders filed 4,612 tariffs containing joint freight forwarder-motor carrier rates. Of the total number of publications filed, 635 were rejected and returned, and 6,101 were criticized as not being in compliance with the provisions of sections 217, 218 (a), or 409 (a) of the act, or our regulations issued thereunder. The tariffs and schedules retained in our files have been made available for public inspection in our 16 district offices as well as in our Washington office.

Under section 220 (a) of the act, contract carriers are required to file with us copies of their contracts, primarily for our confidential information. During the year 3,608 copies of contracts were received, indexed, and examined.

There were 4,700 applications received seeking special permission to publish rates, fares, or charges on less than statutory notice, or for waiver of tariff circular regulations. Approximately 45 percent of these publications involved the establishment of, or changes in, rates attributable to the war emergency. Powers-of-attorney and certificates of concurrences filed aggregate 8,714. The number of applications filed under section 219 seeking authority to establish rates based on released values was 12.

This section checks compliance with our rules relating to tariffs and schedules when operating rights are transferred under authority from us and before the issue of certificates and permits authorized by us. Frequently it is necessary to advise the carriers respecting the form of the tariffs and schedules which must be filed to comply with our rules. During the year, we checked compliance with our rules in 2,391 transfer matters and in 3,386 certificate and permit matters.

FIELD ORGANIZATION

Since our last report the field staff has continued to devote considerable time to the problems of wartime transportation in addition to its regular activities. The allocation of new commercial motor vehicles, which occupied a large part of the time of our field staff for the past 2 years, was transferred to the Office of Defense Transportation on July 1, 1944.

Embargoes declared by motor carriers have been carefully investigated and reported upon. Many of the embargoes have been lifted by the carriers after assistance and advice given by the field staff, which enabled the carriers to obtain the needed relief by other means, such as by a coordination of operations with other carriers, the procuring of needed parts to repair equipment out of service, and the release of new equipment.

The regular work of the field staff is partially reflected in the foregoing reports of the various sections of the Bureau, as the field work and that of the sections are closely related. Many of the matters coming within the purview of the Bureau are originally handled by the field staff because of the close contact it maintains with the carriers. Considerable time has been devoted to the handling of emergency temporary authority applications to provide adequate motor-carrier transportation service to shippers of war materials and supplies.

Safety work has been carried on to the extent permitted by our limited personnel. The use of old equipment beyond its normal life, lack of parts, shortage of efficient drivers, mechanics, loaders, and

other employees whose duties affect the safe operation of vehicles, and the greater demand for motor-carrier service, have increased the need for activity in the promotion of safety.

Much assistance has been rendered by the field staff to Army, Navy, and war plant officials in connection with rate and tariff matters. It has assisted the carriers in preparing tariffs, in establishing adequate accounting systems, and in complying with the accounting regulations for class I motor carriers.

The report of our section of law and enforcement reflects to some extent the activities of the field staff in connection with the enforcement of the provisions of the act and our regulations. Each prosecution is based upon an investigation by the field staff. Many complaints of violations are handled administratively by the field staff and do not result in prosecution.

Although handicapped to some extent by numerous changes in our personnel caused by entrance into military service and by transfer to other Government agencies, this staff during the first 8 months of 1944 investigated and reported on 1,027 applications filed by motor carriers for permanent authority and 5,088 applications for temporary authority, handled approximately 6,280 complaints by administrative action, and performed the other numerous activities described herein.

BUREAU OF SAFETY

A more detailed report of this Bureau is published as a separate document.

Except as otherwise specified, the report here made is for the year ended June 30, 1944.

SAFETY APPLIANCES

The following table shows the result of inspection of safety appliances, together with corresponding data for the preceding year:

	1944	1943
Freight cars inspected.....	1,404,584	1,324,854
Percent defective.....	3.01	2.80
Passenger-train cars inspected.....	33,669	33,969
Percent defective.....	2.76	2.53
Locomotives inspected.....	18,064	18,265
Percent defective.....	5.38	4.53
Total cars and locomotives inspected.....	1,456,317	1,377,088
Percent defective.....	3.03	2.82
Number of defects per 1,000 units inspected.....	35.81	32.59

During the year, 284 cases of violation of the safety appliance laws, comprising 803 counts, were transmitted to United States attorneys for prosecution. Judgment was confessed in cases comprising 647 counts, 4 counts were dismissed, and 13 counts were tried. Of those tried, judgment was for the Government on 9 counts and for the

defendant on 4 counts. On June 30, 1944, cases containing 446 counts were pending in various district courts.

In our report of July 18, 1924, we directed attention to the necessity for improvement of air-brake systems. Pursuant to the recommendations contained in that report, the Association of American Railroads adopted, effective September 1, 1933, revised specifications for power brakes on freight cars, and later prescribed a rule, effective January 1, 1935, which provided for the progressive installation, on cars in interchange, of air-brake equipment conforming to these revised specifications; this program was to be completed on or before January 1, 1945. The following is a record as of June 30, 1944, of the number and percentage of interchange freight cars equipped with power brakes conforming to these revised specifications:

Car owners reporting	Number of owners reporting	Number of cars owned	Number of cars equipped with such brakes	Percent
Railroads.....	156	1,865,299	907,399	48.6
Private car lines.....	200	276,868	65,920	23.8
Total.....	356	2,142,167	973,319	45.4

There was an increase during the year of 137,517 cars equipped with brakes which meet the revised specifications, of which 42,841 were new cars. As shown by the foregoing, during 9½ years, or 95 percent of the 10-year period allotted for making this improvement, only 45.4 percent of the freight cars in interchange service have been equipped with the present standard air-brake apparatus. In each annual report during the past 8 years we have called attention to lack of progress by carriers and owners in complying with this program. Consequently, under date of July 29, 1944, we issued an order to show cause why freight cars should not be required to be equipped with air brakes conforming to the present standard specifications before January 1, 1946. Returns have been filed by the carriers, a conference has been held, and the matter is pending.

There has been continued cooperation with the Association of American Railroads with respect to tests of geared hand brakes. Under existing regulations of that association, geared hand brakes intended for application to freight cars must be certified by the association to be in conformity with its requirements. Twelve types of vertical-wheel geared hand brakes have been so certified, and final action on other than vertical-wheel types is pending.

Our orders covering running boards on freight cars and footboards on locomotives were modified, after hearing, to permit use of such appliances made of material other than wood, subject to provisions of the revised orders. The Association of American Railroads has

established specifications conforming to our requirements, for metal running boards for freight cars, effective January 1, 1944, with provision that they must be certified by that association as meeting its specifications. Five designs have been so certified.

HOURS OF SERVICE

The following table contains statistics for the year and corresponding data for the preceding year:

	1944	1943
Railroads filing hours of service reports.....	714	730
Railroads reporting instances of excess service.....	229	230
Instances of excess service reported.....	86,891	55,084

Sixty-five cases of violation of the hours of service law, comprising 600 counts, were transmitted to United States attorneys for prosecution. Judgment was confessed in cases comprising 773 counts, 7 counts were dismissed, and 11 counts were tried. Of those tried, judgment in the district courts was for the Government on 1 count and for the defendants on 10 counts. A case of 5 counts decided adversely to the Government in the district court has been appealed. On June 30, 1944, 20 cases containing 156 counts were pending in the district courts, and 1 case of 5 counts was pending on appeal.

SIGNAL SYSTEMS, INTERLOCKING, AND AUTOMATIC TRAIN-STOP AND TRAIN-CONTROL DEVICES

On January 1, 1944, block-signal systems, and interlocking and automatic train-stop, train-control, and cab-signal devices were in use as follows:

Block-signal systems

	Miles of road	Miles of track
Automatic.....	67,619.9	98,873.3
Nonautomatic.....	44,251.6	45,910.7
Total.....	111,871.5	144,789.0

Interlocking

Number of plants..... 4,452

Automatic train-stop, train-control, and cab-signal devices

	Miles of road	Miles of track	Locomotives
Intermittent ¹	6,382.1	11,842.4	5,720
Continuous.....	4,305.5	8,881.5	4,926
Total.....	10,687.6	20,723.9	10,646

¹ Listed under "intermittent" are 447 locomotives having dual intermittent-continuous equipment.

Detailed information concerning these installations is contained in the annual signal bulletin, compiled separately.

During the year, 1,172 applications for approval of modifications of block-signal systems and interlocking were filed by the carriers, 1,124 applications were acted upon by the Commission, and 1 application was withdrawn. At the close of the year, action was pending on 126 applications.

During the year, one application for approval of modifications of certain sections of the rules, standards, and instructions prescribed by our order of April 13, 1939, was received and acted upon. At the close of the year, no application of this nature was pending.

In 190 cases, further extensions of time have been granted to the carriers in connection with applications covering projects which cannot be completed within the original time limit allowed by our orders, and 11 applications for extensions of time have been denied.

Action has also been taken on five applications for approval of modifications of automatic train-control and automatic cab-signal installations.

During the year, public hearings were held and action was taken on two applications.

Acting upon information obtained in connection with the investigation of accidents which disclosed the inadequacy of safety measures provided by some carriers, we have since November 4, 1941, issued a total of 12 show-cause orders requiring certain carriers to show cause why they should not be required to make installations of block-signal systems or other safety devices. One such order was issued this year. As a result of these orders, several block-signal installations have been made, and we have been informed that other installations will be undertaken as soon as material is available.

Monthly signal-failure reports filed by the carriers during the period from July 1, 1943, to June 30, 1944, inclusive, are summarized as follows:

False restrictive failures.....	43, 118
False proceed failures.....	252
Potential false proceed conditions.....	41

During the year, inspections were made as follows:

Block-signal systems.....	889
Interlockings.....	1, 464
Automatic train-control and cab-signal devices.....	370
Centralized traffic-control systems.....	179
Other similar appliances, methods, or systems.....	45
Total.....	2, 947

These inspections have resulted in bringing to the attention of railroad managements, for necessary corrective action, numerous unsatisfactory maintenance conditions which were found to exist.

INVESTIGATION OF ACCIDENTS

The Bureau investigated 102 train accidents, of which 76 were collisions, 25 were derailments, and 1 was classed as a miscellaneous accident. The collisions resulted in the death of 251 persons and the injury of 1,395 persons; the derailments resulted in the death of 117 persons and the injury of 327 persons; the miscellaneous accident involved track laborers, engaged in tamping ballast, who were struck by a passenger train, resulting in the death of 9 persons; the total was 377 killed and 1,722 injured.

The following information relates to 15 of the more serious accidents investigated:

Kind of accident	Trains involved	Number of persons		Cause
		Killed	Injured	
Side collision.....	Mixed train, and passenger train.	10	11	Fouling main track in front following train.
Do.....	Engine with cars and passenger train.	27	114	Do.
Do.....	Engine and passenger train.....	1	5	Occupying cross-over without protection.
Rear-end collision..	Passenger train, and passenger train.		203	Inadequate block system.
Side collision.....	Yard engine, and passenger train.	3	48	Do.
Derailment.....	Passenger train.....	79	129	Broken journal.
Side collision.....	Derailed freight cars, and passenger equipment train, and derailed cars of passenger equipment and another freight train.	1	3	Insufficient number of adequate power brakes.
Do.....	Derailed passenger cars and passenger trains.	72	187	Adequate protection for derailed cars not provided.
Rear-end collision..	Passenger train and passenger train.	7	105	Adequate safeguards for train movements not provided.
Derailment.....	Passenger train.....	2	18	Entering open switch at high speed.
Do.....	do.....	2	38	Irregularities in track.
Do.....	Freight train.....	1	2	Engine driving wheels less than permissible minimum gage.
Do.....	do.....	1	2	Binding of boiler-bearing sliding plates.
Rear-end collision..	Passenger train and passenger train.	4	35	Adequate safeguards for movement of trains not provided.
Head-end collision..	Passenger train, and passenger equipment train.	1	66	Error in copying train order.

A detailed report covering each accident investigated is made public when completed.

GRADE CROSSINGS—RAILWAY WITH HIGHWAY

During the calendar year 1943, there were 3,781 accidents at highway grade crossings which resulted in the death of 1,732 persons and the injury of 4,217 persons. Automobiles were involved in 3,181 of these accidents, in which 1,378 persons were killed and

3,944 injured. There were 55 derailments of trains as a result of collisions between trains and automobiles, which caused the death of 37 persons and the injury of 120 persons. Of the total casualties resulting from derailments and other train accidents at highway grade crossings, 6 persons killed and 49 injured were railroad passengers, employees, or persons carried under contract. Information concerning accidents of this character, together with comparable statistics for the preceding 2 years, and the number of crossings, railway with highway, is shown in the following tables:

Accidents at highway grade crossings, years ended Dec. 31, 1943, 1942, and 1941

	1943			1942			1941		
	Number	Number of persons killed	Number of persons injured	Number	Number of persons killed	Number of persons injured	Number	Number of persons killed	Number of persons injured
Accidents at highway grade crossings.....	3, 781	1, 732	4, 217	4, 150	1, 970	4, 616	4, 320	1, 931	4, 885
Accidents at highway grade crossings involving automobiles.....	3, 181	1, 378	3, 944	3, 626	1, 621	4, 386	3, 874	1, 679	4, 667
Deraillments of trains as a result of collisions between trains and automobiles.....	55	37	120	78	57	114	56	23	56
Miscellaneous train accidents as a result of collisions between trains and automobiles.....	207	92	148	203	131	137	192	99	90
Automobiles registered.....	30, 499, 608			32, 582, 242			34, 355, 100		
Railroad casualties:									
Passengers.....			19		1	56			17
Employees on duty.....		12	100		19	70		10	61
Persons carried under contract.....			6			7			3
Total.....		12	125		20	133		10	81

Crossings, railway with highway

Years ended Dec. 31—	Number at end of year	Number actually added and eliminated during the year		Net decrease	Years ended Dec. 31—	Number at end of year	Number actually added and eliminated during the year		Net decrease
		Added	Eliminated				Added	Eliminated	
1943.....	226, 938	825	1, 339	514	1938.....	231, 400	641	1, 805	1, 164
1942.....	227, 496	516	2, 694	2, 178	1937.....	232, 322	895	1, 843	948
1941.....	229, 722	563	1, 502	939	1936.....	232, 902	491	2, 134	1, 643
1940.....	230, 285	730	1, 507	777	1935.....	234, 231	887	2, 071	1, 184
1939.....	231, 104	868	1, 554	686	1934.....	234, 820	999	2, 109	1, 110

EXAMINATION OF SAFETY DEVICES

Plans of 12 devices designed to promote safety of railway operation were examined by our engineers, and reports thereon were transmitted to the proprietors or their agents.

MEDALS OF HONOR

During the year ended June 30, 1944, six applications for award of medals of honor were filed, and awards were made as follows:

To George W. Lindsay, a brakeman employed by the Illinois Central Railroad Co., who rescued a small child from the path of a moving freight train on the line of that carrier at Waterloo, Iowa, July 30, 1943.

To Craig F. Fields, a brakeman employed by the Atlantic Coast Line Railroad Co., who rescued a small boy from the path of moving cars being switched over a highway grade crossing on the line of that carrier at Mayesville, S. C., August 5, 1943.

To Arthur F. Woodrick, a track foreman employed by the Chicago, Burlington & Quincy Railroad Co., who rescued a track laborer, 15 years of age, employed by the same company, from beneath an overturned and burning track motorcar on the line of that carrier near Batavia, Ill., June 19, 1943.

Since the passage of this act, 84 applications have been filed, of which 51 have been approved and 33 denied.

BUREAU OF SERVICE

The activities of the Bureau during the past year have been continued along the same lines as in the preceding year. The organization has continued to work in close cooperation with other Government agencies, the railroads and organizations, and committees of shippers.

The Bureau maintains a staff of approximately 60 service agents. The United States is divided into 16 districts with service agents having offices in the major railroad centers and other strategic points in the districts.

During the year, service agents have made investigations of thousands of records and matters relating to delay in loading and unloading cars, car detentions, traffic and troop movements, and, in general, directed their efforts toward securing the maximum use and efficiency of all railway equipment. Some 16,000 reports were rendered on car detention alone. The detailed activities of the service agents are more fully set forth in our report of last year.

Because of the reduction in the field force of the Railway Transport Division of the Office of Defense Transportation, all cases of detention formerly investigated by it are now being handled by this Bureau.

Constant attention has been given to the return of cars moving to Mexico, Canada, and Cuba. Certain restrictions have been continued on carload movements of some commodities from one foreign country through the United States all-rail to another foreign country because these movements were consuming car-days and using motive power

badly needed within the boundaries of the United States. The restrictions imposed have brought about general improvement in car turn-around time.

The increased use of embargoes throughout the year has again demonstrated that this is an effective means of discouraging and controlling car detention. Embargoes have the advantage of affecting only the particular situation against which they are directed. They may apply to a single individual, a group of individuals, or a territory. During the period January 1, 1942, to September 11, 1942, inclusive, 103 embargoes were placed. During the same period in 1943, 507 were placed and 869 in 1944.

Throughout the year, measures were taken to reroute cars and divert traffic in order to avoid congestion of terminals and roads temporarily unable to handle traffic because of floods, landslides, or wrecks. Other corrective action has been necessary regarding the return of empty coal cars, as well as in connection with the movement of equipment and machinery over circuitous routes because physical conditions prevented it from being moved over regularly established and more direct routes.

The enormous volume of grain handled in this country since the harvesting of the 1943 crop placed a severe strain on railroad transportation. During 1944, grain moved in greater quantities than during 1943. Changed storage conditions required constant attention to take care of the necessary shifts in the car supply and the regulation of car distribution. The work of permit agents, established under Service Order No. 80, was particularly effective in facilitating movement of the 1943 and 1944 crops. The joint ICC-ODT Grain Committee also rendered valuable assistance in eliminating wasteful use of cars in the movement of grain and grain products.

The agents appointed to regulate and control the movement of coal and petroleum in certain sections of the country, the distribution of refrigerator cars, and the routing of transcontinental traffic have rendered valuable and effective service in dealing with the problems coming before them.

During times when railroad lines are burdened with heavy traffic, the movement of special trains on expedited schedules is detrimental to efficient service and must be avoided so far as possible. To guard against unnecessary special movements by freight trains, an agent was appointed September 10, 1943, with authority to control movements of special military trains. The Director of the Bureau is authorized to control the movement of special trains other than military. This arrangement has been very effective. Only 22 permits have been issued.

Under emergency powers conferred upon us by section 1 (15) and

(16) of the Interstate Commerce Act, division 3 issued 162 emergency service orders and 56 amendments during the period covered by this report, a far greater number than had ever been issued in any previous year. In addition, the Bureau of Service issued 1,122 special and general permits during the same period. These orders, generally speaking, were necessary to facilitate the free flow of traffic and to prevent car shortages. It has been our practice to vacate our service orders as soon as the necessity for them has passed.

Among the more important corrective measures required by the orders issued, were routing and rerouting traffic to avoid congestion or excessive transportation, unloading delayed cars, restricting the placement of empty coal cars for loading, full utilization of boxcar capacity, increasing demurrage charges to promote prompt release of equipment, restricting diversions of perishable products, requiring prompt billing of cars by meat packers, making the shipment of oranges subject to permit, limiting icing of perishable shipments, and prohibiting the unnecessary weighing of cars.

SECTION OF EXPLOSIVES

During the year, the explosive section continued its normal activities as in the past.

It was necessary to amend the regulations by issuing 16 orders, which involved 233 changes releasing emergency shipments of war materials. Three orders were issued modifying the order of April 20, 1943, with respect to the application of the regulations to private and intrastate carriers by motor vehicle transporting dangerous commodities.

This section has cooperated with other Government agencies, in coping with emergency conditions, by temporarily modifying our regulations to meet present needs, and in approving conversion of available petroleum tank cars for the transportation of liquefied petroleum gas.

Our field representatives reported 308 violations of our regulations both by shippers and rail carriers. The violations included improper position in trains of cars of explosives and inflammables, failure to notify train crews of the position of cars of explosives, failure to keep record of giving such notice to crews, failure to remove placards from cars after dangerous lading was removed, and failure to observe that 1 or more placards were missing from cars.

On October 11, a Chief Explosives Agent and two field explosives agents were added to the force. These men, in addition to the policing of the observance of the regulations, will instruct our field forces as to their duties insofar as the transportation of explosives and other dangerous articles by rail and motor vehicles is concerned. They will conduct educational campaigns among the shippers and receivers of such freight. Their efforts should result in better cooperation between

the manufacturers, receivers, and transporters of explosives and other dangerous articles.

The rail carriers reported 1,086 accidents in connection with the transportation of explosives and other dangerous articles, which resulted in 86 fires, 6 deaths, and injury to 58 persons, and a total property loss of \$1,139,755.

In the transportation of gasoline, there were 12 fires, causing 3 deaths, and injury to 15 persons, with a property loss of \$545,640. In addition, 3 deaths and 8 injuries resulted from an explosion when firemen attempted to rescue an unconscious man who was inside an empty tank car.

The 75 accidents in connection with the transportation of crude oil caused 6 fires and injured 4 persons. The property damage therefrom amounted to \$265,564.

Inflammable liquid, not otherwise specified, was involved in 7 accidents, causing 3 deaths, injury to 4 persons, and property damage of \$55,357.

There were several explosions of military explosives in transit, resulting in a few casualties. It was not established that any of these explosions were due to inherent defects in the explosive devices.

BUREAU OF TRAFFIC

The present functions of this Bureau are as described in our 1942 report.

In our last report we referred to the deficiencies in freight-forwarder tariffs and to the steps that had been taken to effect improvements therein to make them more definite and understandable. While progress in this direction has been retarded by war conditions, substantial improvements have been made in these tariffs during the year by the publication of specific point-to-point rates and particularly by the elimination from the tariffs of numerous objectionable rules and regulations. There were filed during the year 426 tariff publications containing exclusively all-forwarder rates.

As in the preceding year, abnormal economic and transportation conditions resulting from the war have continued to affect the extent, character, and distribution of the work of the Bureau, which is operating with a curtailed personnel. In some instances, as in the case of special-permission orders and requests for suspension, the figures shown below, with respect to particular activities, represent reductions under the corresponding figures for the previous year, while in other instances, as in the case of the number of tariffs and powers of attorney and certificates of concurrences received for filing, increases are reflected. As we have had only about 50 percent of our normal force of tariff examiners, the examination of tariffs received for filing has of necessity been considerably restricted. Over one-third of the

protested rate adjustments, suspension of which was requested, and of special-permission applications for publishing tariff changes on short notice, together with many of the fourth-section applications, were directly connected with war activities.

Data covering particular activities of subdivisions of this Bureau during the year are shown below.

SECTION OF TARIFFS

There were received for filing 74,853 tariff publications containing changes in freight, freight-forwarder, express, and pipe-line rates, passenger fares, and freight classification ratings. This figure also includes schedules of minimum rates and charges filed by contract carriers by water. Of these tariff publications, 397 were rejected for failure to give the notice required by the statute or to conform to prescribed regulations. Powers of attorney and certificates of concurrence filed aggregated 15,119. Applications received seeking special permission to establish rates or fares on less than statutory notice or waiver of certain of our tariff publishing rules numbered 4,728. Specific orders entered granting, amending, or revoking special permission numbered 4,956. There were received and filed 942 copies of traffic contracts between common carriers.

SUSPENSIONS

Rate adjustments were protested and suspension asked in 570 instances. Of these protested adjustments, 349 represented increases, 165 represented reductions, 47 represented both increases and reductions, and 9 neither increases nor reductions. They covered a large number of rate schedules, comprising many thousands of rates.

The following action was taken on the requests for suspension:

Suspended (including supplemental orders)	233
Refused to suspend	194
Schedules rejected, requests for suspension withdrawn, or protested schedules withdrawn	143
Total	570

Of these suspended adjustments, 95 were disposed of through informal proceedings, together with 29 adjustments suspended during the previous year.

Rail carriers protested 43 motor adjustments, and motor carriers protested 4 rail adjustments, while water carriers protested 6 rail adjustments, and rail carriers protested 3 water adjustments. As to freight-forwarder adjustments, 5 were protested by motor carriers and 1 by competing freight forwarders. All of the adjustments referred to in this paragraph represented reductions in rates.

THE FOURTH SECTION

The number of applications was 491. The number of orders entered in response to applications was 378, of which 18 were denial orders, 236 were orders granting continuing relief, and 124 were orders authorizing temporary relief. Twenty-one formal reports were issued.

Applications withdrawn, wholly or in part, after correspondence with carriers, numbered 16; and 20 applications or portions thereof were heard.

The number of petitions for modification of orders was 195, of which 162 were granted, 15 were denied, 1 was withdrawn, and 17 are pending.

EXPRESS

Of the tariff publications filed, 657 represent changes in express rates and classification ratings. Of the applications received seeking special permission to establish rates on less than statutory notice or waiver of certain of our tariff-publishing rules, 41 related to express rates.

RELEASED RATES

There were filed with this Bureau eight applications for authority, under sections 20 (11), 219, and 413 of the act, to establish rates dependent upon declared or agreed values, and one such application was pending at the beginning of the year. Of these, seven were granted and two were withdrawn.

BUREAU OF TRANSPORT ECONOMICS AND STATISTICS

In addition to preparing the statistical reports regularly issued, a list of which appears in the Statistics of Railways, this Bureau has since our last report published the following studies:

1. *Analysis of steam railway dividends, 1890-1941.*—This study reviews the trend of railway dividends since 1890 in comparison with fluctuations in industrial production, national income, capitalization, and net income. Dividends are analyzed with respect to regular and extra declarations and are shown for common and preferred stock, both cumulative and noncumulative.

2. *Employee retirement and unemployment insurance as affecting railway finances.*—The effect of railway retirement and unemployment insurance legislation upon railway operating expenses and tax accruals is reviewed and the accounting treatment of retirement and unemployment insurance funds is summarized. In 1942, company contributions (as distinguished from employee contributions) for these purposes were equivalent to 3.86 percent of the operating expenses and in effect amounted to an addition to employees' compensation of 6.05 percent.

3. *Use and cost of railway fuel and problems in fuel statistics.*—This report brings together available information regarding fuel viewed as a major item in railway expense, reviews price trends, regulation of prices, railway purchasing practices, and discusses the statistics used in measuring the efficiency of railway-fuel consumption.

4. *Post-war traffic levels.*—Discusses prospective volume of traffic of railways, motor carriers, water carriers, and pipe lines in the years 1947, 1948, and 1949 on the basis of various possible levels of national income and employment.

Attention is being given to the forecasting of the prospective volume of freight carloadings. At the request of the Office of Defense Transportation and the Bureau of the Budget, this Bureau on August 1, 1944, assumed responsibility for the forecasting functions of the O. D. T.

The cost-finding section of the Bureau has continued to supply analyses of costs in connection with many proceedings before us. The most noteworthy development in this activity is the beginning of an extensive investigation of the cost of carrying freight by motor vehicle in various sections of the country. Motor-carrier costs in New England have been analyzed, and a similar study is now in progress for the southern territory.

The requests of the war agencies and other departments of the Government for statistics of transportation have been numerous during the year. Owing to the impossibility of filling all clerical positions, a considerable backlog of work has developed. Motor-carrier statistics and the monthly commodity statistics are not on a current basis, in part because of similar difficulties affecting the carriers.

The first tabulation of the consolidated system reports of large steam railways (1942) having subsidiaries has been completed, and the first annual statements (1942) relating to freight forwarders and so-called private car lines have been issued.

During the year ended June 30, 1944, the total number of statistical reports received in this Bureau for tabulation was 46,023, of which 3,483 were annual reports, compared with 45,404 and 3,345, respectively, in the preceding year. The principal cause of the increase in reports is the growth in number of class I motor carriers, and this is chiefly the result of the reclassification of class II motor carriers as class I following an increase in their annual revenues to a total above \$100,000.

Various revisions in the periodical report forms were introduced during the year to bring them into conformity with changes in our classification of accounts or with developments in carrier operations. Among such changes in the reports for 1944 are revision of schedules referring to depreciation reserves and those calling for details of investments in securities, temporary cash investments, accrued tax

liabilities, and railway tax accruals. The monthly reports of operating statistics for 1945 have been changed to reflect additional details of operations by Diesel-electric locomotives.

Selected statistical statements based on the reports of the carriers are given in appendix C hereto.

BUREAU OF VALUATION

During the year ended October 31, 1944, this Bureau has been principally engaged in auditing field reports and posting inventories covering extensions, improvements, retirements, and other changes in the properties of railroads and pipe-line companies on which values have previously been made as required by section 19a (f) of the Interstate Commerce Act; preparing original valuations and reports on six newly created pipe-line carriers as required by paragraphs (a) and (b) of the act; supplying valuation data in connection with the Commission's current regulatory work, and supplying valuation data to other Government agencies, States, counties, cities, and to the general public.

The Bureau made 80 appraisals and reports for the Navy Department, Maritime Commission, War Department, and War Shipping Administration on properties being purchased, condemned, or leased for war purposes. A number of employees of the Bureau presented testimony for the Department of Justice as expert witnesses in connection with the taking over of some of these war projects. The appraisal of the "American Railroad of Porto Rico" for the Office of Defense Transportation was completed during the year. The appraisal work for war agencies was discontinued by the Bureau after the reduction, hereinafter referred to, was made in its appropriation for the year ending June 30, 1945.

For use in setting up new investment accounts after reorganizations, consolidations, and mergers of railroad companies, in accordance with our regulatory requirements, the Bureau furnished statements of original cost to 113 carriers, and statements for use in 51 proceedings were under consideration at the close of the year. In consequence of our requirement of depreciation accounting by railroads for depreciable road property, the Bureau supplied statements of original cost to 710 operating railroads and furnished adjusted depreciation rates for the same purposes to 112 companies.

The Bureau supplied valuation data to States, counties, cities, financial institutions, and individuals and companies totaling 247 such requests.

Last year, we directed attention to the serious difficulties confronting us in placing our property change records of railroads and pipe lines on a current basis because of the constant reductions in our forces in the last 10 years. Another very drastic reduction from a ceiling of 165 at the beginning of the last fiscal year to 121 employees

at the beginning of this fiscal year was made due to a cut in the appropriation. This reduction caused the Bureau, effective July 1, 1944, to suspend further work on bringing inventories and original cost of the pipe line companies to later dates.

The records of the railroads and pipe lines which have been built up and maintained by the Bureau, being the only such records in existence, are invaluable to us and to the public and should be kept up to date.

BUREAU OF WATER CARRIERS AND FREIGHT FORWARDERS

The functions of the Bureau are described in previous reports. Work of the Bureau under parts III and IV of the Interstate Commerce Act is separately treated below:

WATER CARRIERS

Transportation by water carriers has been subject to regulation by us under the provisions of part III for approximately $3\frac{1}{2}$ years. Necessary regulatory methods have been developed. Most of the carriers are now adjusted to regulation. In general, they have manifested an attitude of helpful cooperation and a desire to comply strictly with the provisions of the act and our regulations issued thereunder.

The determination of the character and scope of the operations performed by individual carriers, and the issuance of certificates and permits covering their "grandfather" rights to continue such operations, have progressed to the point where this important phase of the regulation is nearing completion. To date, of the 848 applications by water carriers for authority to continue or institute operations, 772 have been acted upon. Three hundred and five common-carrier certificates of public convenience and necessity, 67 contract-carrier permits, and 107 temporary authorities have been issued. Four hundred and twenty-one of such applications have been dismissed or denied, principally because applicants' services are not subject to our jurisdiction under part III of the act.

Because of war and other emergency conditions, we issued during the year ended October 31, 1944, 24 orders granting temporary authority under section 311 (a) to water carriers subject to the act to enable the provision of service for which there was an immediate and urgent need which could not be met by other carrier services. During the same period two orders granting temporary authority under section 311 (b) were also issued.

We mentioned in our last report that division 4 had instituted a proceeding (Ex Parte No. 157, Application of Part III to Transportation by Small Craft) to determine whether, and the extent to which, restriction of the scope of that portion of the exemption provisions of section 303 (g) was necessary. As a result of that proceeding, divi-

sion 4 issued an order giving force to its finding that the application of the provisions of part III of the act is necessary, to carry out the national transportation policy declared in the act, with respect to certain transportation by vessels of not more than 100 tons' carrying capacity or not more than 100 indicated horsepower. This applies to transportation by small vessels as described above, formerly exempt under section 303 (g) (2), but which is performed by water carriers which are also engaged in the performance of transportation by larger vessels, or other transportation which is subject to part I, II, or III of the act. It does not apply to transportation solely by such small vessels which is not a part of through transportation under common control, management, or arrangement with other carriers subject to the act.

A copy of the order was mailed to all operators of small craft described above. They were notified that in order to protect their rights to continue the operations in which they were engaged, it was necessary for them to file applications under section 303 (1). A copy of a form which we prescribed under sections 17 (3) and 304 (a), was attached to the notice. Only 17 of such applications were filed within the 120-day period provided in section 303 (1). However, carriers already holding certificates or permits, or carriers having applications pending before us under the provisions of section 309 (a) or (f) for certificates or permits authorizing the transportation in which they were engaged by the use of small craft were not required to file new applications.

In our prior report, we called attention to the disruption in various degrees of the normal activities of most of the water carriers due to the war. There has been no substantial change in this situation. Practically all of the coastwise and intercoastal operations are still dormant. Relatively few vessels have been returned by the Government to carriers operating on the Great Lakes. Operations on the inland waterways have largely shifted from normal routes and services to transportation incident to the prosecution of the war.

A summary of the status of the work in connection with water-carrier applications follows:

Water-carrier applications

Applications filed to Oct. 31, 1944:

For authority to continue operations under "grandfather" clause---	767
For authority for new operations-----	57
For authority to continue (formerly exempted) operations by small craft-----	17
For exemption-----	417
For authority to extend operations-----	7
For temporary authority-----	191
Total-----	¹ 1,456

Water-carrier applications—Continued

During period Nov. 1, 1943, to Oct. 31, 1944, inclusive:

Certificates issued:

Authorizing continuance under "grandfather" clause.....	2 44
Authorizing new operations.....	4
Authorizing small-craft operations.....	1

Permits issued:

Authorizing continuance under "grandfather" clause.....	3 11
Authorizing new operations.....	—
Authorizing small-craft operations.....	—

Orders issued:

Granting temporary authority.....	24
Granting exemption.....	1

Substitution applications:

Approved.....	4
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Applications dismissed or denied:

For exemption.....	10
For authority to continue operations under "grandfather" clause.....	22
For authority for new operations.....	3
For authority for small-craft operations.....	1
For temporary authority.....	8

¹ Includes 70 applications withdrawn without docketing.² Ten certificates vacated.³ One permit vacated.

	Formal hearing ¹	No formal hearing ²	Total
Reports issued in connection with applications:			
On applications for exemption.....		3 8	3 8
On applications to continue operations under "grandfather" clause.....	25	36	61
On applications for new authority.....	3 5	3 2	3 7
On applications for small craft.....		2	2
Short-form certificates, permits, and orders issued:			
On applications to continue operations under "grandfather" clause.....		4	4
Total.....	30	52	82
Applications pending:			
For authority to continue operations under "grandfather" clause.....	25	27	52
For authority for new operations.....	9	4	13
For exemption.....	1	11	12
For authority to extend operations.....	2	1	3
For authority for small craft.....		8	8
For temporary authority.....		5	5
Total.....			93
Total pending.....	37	56	—

¹ Handled by Bureau of Formal Cases.² Handled by Bureau of Water Carriers and Freight Forwarders.³ These figures duplicated in number shown on applications for "grandfather" rights.

FREIGHT FORWARDERS

Under the provisions of section 410, those freight forwarders that were in operation on May 16, 1942, the date on which the section became effective, were permitted to continue such operation until such time as we determined otherwise, if they filed applications for per-

mits within a period of 180 days after that date. One hundred and fifty-four applications were filed within the 180-day period, and 8 applications were filed after expiration of the period, making a total of 162 applications. We have granted 61 permits, dismissed 33 applications, and denied 22. There are 46 applications on which final action has not been taken, although on a number of these, proposed reports have been issued.

With certain exceptions, the 22 applications were denied because they were made by corporations which were wholly owned subsidiaries of other freight forwarders which had been granted permits. These applications sought authority which duplicated that granted the parent company. We dismissed 33 applications because the applicants either were not freight forwarders within the definition contained in the act or were engaged in operations which are exempt under the provisions of section 402.

Regulations prescribed for freight forwarders require those having a gross revenue of \$100,000 or more per annum to file annual and quarterly reports. For the year ended December 31, 1943, 52 freight forwarders, each having an annual gross income of \$100,000 or more, forwarded a total of 5,064,622 tons of freight, and had a total gross revenue of \$188,998,933. The reports show that the 3 largest freight forwarders, namely, Universal Carloading & Distributing Co., Inc., National Carloading Corp., and Acme Fast Freight, Inc., forwarded 68 percent of the total freight handled by the 52 freight forwarders, and that the gross revenue of these 3 forwarders was 72 percent of the total revenue. The 52 freight forwarders report a net income before provision for income tax of \$2,639,008, which is 1.35 percent of the total gross revenue. For 1943, the annual reports of 11 of the 52 freight forwarders show a deficit before taxes. For the first quarter of 1944, 53 freight forwarders filed quarterly reports, and 26, or approximately 50 percent, had an operating deficit before making provision for income tax. The primary reasons for the poorer results this year are increases in cost of labor and the fact that a very large percentage of the forwarding business now consists of Government freight. The revenue received by the freight forwarders from handling much of this Government freight is affected by a ruling of the Comptroller General of the United States to the effect that the so-called land-grant deductions observed in determining freight charges on Government shipments by railroads are applicable also to Government traffic handled by forwarders.

Section 409 as originally enacted authorized common carriers by motor vehicle to establish joint rates with freight forwarders for a period of 18 months. This section was later amended to authorize such joint rates for an additional period of 18 months, or until May 16, 1945. The joint rates were authorized in order to provide a rea-

sonable period of adjustment within which assembling and distributing rates may be established pursuant to the provisions of section 408. The last-named section authorizes motor carriers to establish assembling and distributing rates for forwarders and others who employ or utilize the instrumentalities or services of such common carriers under like conditions, which differ from the motor-carriers' regular rates and charges, if such difference is justified by a difference in the respective conditions under which such instrumentalities or services are employed or utilized.

Little progress has been made in establishing assembling and distribution rates pursuant to section 408. One reason for this condition is a difference of opinion between motor carriers and freight forwarders concerning the level of such rates, the forwarders generally taking the position that the rates should not exceed the motor carriers' divisions of the present rates. Another reason is the fear on the part of the forwarders that, if assembling and distributing rates are established, there will be demands for similar rates by shippers claiming to be entitled to those rates on their traffic on the ground that they employ the instrumentalities or services of the carriers under like conditions. In view of this situation, we have little reason to expect that a satisfactory system of assembling and distributing rates will have been established by May 16, 1945, when joint rates between motor carriers and freight forwarders will no longer be lawful unless the act is further amended.

Since our last annual report we have prescribed insurance regulations applicable to freight forwarders pursuant to the provisions of section 403 (c) and (d). We have now prescribed all regulations required by part IV and such other regulations as we deem at present necessary to the proper regulation of freight forwarders.

LEGISLATIVE RECOMMENDATIONS

We submit the following recommendations for legislation:

1. We recommend that sections 1 (22), 5 (13), and 20a (1) be amended so as to make these and related paragraphs inapplicable to street, suburban, and interurban electric railways except those which are operated as parts of general steam railroad systems of transportation or are engaged in the general transportation of freight and interchange standard steam railroad freight equipment with steam railroads for transportation in interstate or foreign commerce to or from points on their lines. We further recommend that sections 1 (22) and 5 (2) (a) be amended so as to make them inapplicable to acquisition or operation of spur, industrial, team, switching, or side tracks and of the excepted electric railways.

2. We recommend that section 5 (2) (b) be amended by removing

therefrom the requirement that "a public hearing shall be held in all cases where carriers by railroad are involved."

3. We recommend that sections 20 and 20a be amended so as to make them applicable to noncarrier subsidiaries of railroad carriers, at least with respect to their accounting and the issuance of securities, and that restrictions be imposed on the expenditure of carrier funds, the incurring of obligations, or the acquiring of property by a carrier or its subsidiaries, except for the operation or legitimate improvement or development of its property.

4. We recommend that the various provisions of the act, authorizing the Commission to require reports from carriers, and others and to inspect and copy accounts, books, records, et cetera (sections 20, 220, 313, and 412), be amended so as to be applicable to associations or organizations maintained by or in the interest of any group of carriers or freight forwarders subject to the act.

5. We recommend that section 222 be amended by adding a new paragraph which would provide a remedy by forfeiture for failure of motor carriers, brokers, et cetera, to keep records in accordance with regulations prescribed under part II of the Interstate Commerce Act or failure to file reports prescribed thereunder. A remedy by forfeiture is provided for violation of various provisions of part I of the act, section 20 (7) for example, and for various reasons a forfeiture suit would be preferable to a prosecution upon the filing of information, which now is necessary in cases of derelictions such as those before mentioned.

6. We recommend that section 411 (c), making it unlawful for a director, officer, employee, or agent of any common carrier subject to the Interstate Commerce Act or of any person controlling, controlled by, or under common control with such a common carrier, in his or their own personal pecuniary interest, to own, lease, control, or hold stock in, any freight forwarder, directly or indirectly, be amended so as to permit such ownership, lease, control, or holding upon authorization by order of the Commission upon due showing that neither public nor private interests will be adversely affected thereby.

7. We recommend that section 411 be amended to provide for the regulation of consolidations and leasing of freight forwarders.

8. We recommend that a new section be added to each of parts II, III, and IV which would specify the period within which actions at law by common carriers by motor vehicle, common carriers by water, and freight forwarders for recovery of their charges or any part thereof and actions against such transportation agencies for recovery of overcharges shall be brought, similar in effect to the provisions of section 16 (3).

9. We recommend that the Federal statutes commonly known as the Transportation of Explosives Act (U. S. Code, title 18, sec. 382-386)

be completely rewritten in the light of important developments relating to this subject which have occurred in the 23 years since the last revision of these statutes.

10. We recommend that Congress amend the Standard Time Act so as fully to occupy the legislative field respecting standards of time to be observed throughout the Nation.

11. We recommend the enactment of S. 1473,¹⁰ passed by the Senate June 22, 1944, which would have the effect of making certain changes in the Interstate Commerce Act recommended in our last annual report.

12. We recommend the enactment of H. R. 4184, passed by the House of Representatives May 23, 1944, which would have the effect of completely abolishing land-grant railroad rates.

13. We recommend the enactment of H. R. 4993, introduced by Congressman Sumners, "To amend Public, Numbered 507, Seventy-seventh Congress, second session, an Act to further expedite the prosecution of the war, approved March 27, 1942, known as the Second War Powers Act, 1942," which would have the effect of continuing the life of Title I of that Act, giving us certain emergency powers with respect to motor carriers and water carriers.

14. We recommend that the Interstate Commerce Act be amended so as to provide adequate regulation of two or more common carriers or freight forwarders subject to the act, when they agree upon and act jointly through a bureau, conference, or association in establishing rates, fares, charges, et cetera, subject to the provisions of the act.

WILLIAM J. PATTERSON, *Chairman.*

CLYDE B. AITCHISON.

CLAUDE R. PORTER.

WILLIAM E. LEE.

CHARLES D. MAHAFFIE.

CARROLL MILLER.

WALTER M. W. SPLAWN.

JOHN L. ROGERS.

J. HADEN ALLDREDGE.

J. MONROE JOHNSON.

¹⁰ The bills referred to by number herein were pending in the Seventy-eighth Congress on the date of this report, November 1, 1944.

APPENDIX A

SUMMARY OF INDICTMENTS RETURNED AND INFORMATIONS AND COMPLAINTS FILED IN UNITED STATES DISTRICT COURTS BETWEEN NOVEMBER 1, 1943, AND OCTOBER 31, 1944, INCLUSIVE, FOR VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PART I, AND THE ELKINS ACT

United States v. Aberdeen and R. R. Co., eastern district of North Carolina. July 11, 1944, information charging failure to assess and collect demurrage charges; 1 count.

United States v. American Smelting and Refining Co., northern district of Ohio. February 23, 1944, information charging solicitation of concessions by means of false billing; 10 counts.

United States v. Atchison, T. & S. F. Ry. Co., northern district of Illinois. July 19, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Atlantic Coast Line R. Co., eastern district of South Carolina. December 29, 1943, complaint charging violations of Commission's Service Order No. 68; 40 counts.

United States v. Baltimore & O. R. Co., district of Maryland. July 20, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. A. N. Bearman Co., district of Minnesota. March 2, 1944, indictment charging solicitation of concessions by means of false claims; 3 counts.

United States v. Harvard R. Birdsong, eastern district of Virginia. September 20, 1944, information charging solicitation of concessions growing out of the rebilling of shipments at an intermediate point to defeat applicable interstate rates. 1 count.

United States v. M. P. Callaway, Trustee, Central of Georgia Ry. Co., southern district of Georgia. July 15, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Chesapeake & O. Ry. Co., northern district of Ohio. July 17, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Chicago & E. I. R. Co., eastern district of Illinois. December 6, 1943, information charging the making of false entries in waybills; 5 counts.

United States v. Chicago, B. & Q. R. Co., northern district of Illinois. July 19, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Charles Crews, southern district of Mississippi. May 5, 1944, indictment charging granting concessions by permitting shippers to bill shipments from points taking lower rates than applied from actual points of origin; 5 counts.

United States v. D., L. & W. R. Co., southern district of New York. July 24, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Elgin, J. & E. Ry. Co., northern district of Illinois. November 13, 1943, complaint charging violations of Commission's Service Order No. 68; 20 counts.

United States v. Erie R. Co., northern district of Ohio. July 17, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Overton C. Evans, eastern district of Kentucky. June 12, 1944, indictment charging soliciting and accepting concessions by means of false billing; 9 counts.

United States v. S. M. Goldberg and Morris I. Leytus, western district of Pennsylvania. March 22, 1944, indictment charging soliciting and receiving concessions through false billing; 14 counts.

United States v. Vincent A. Guercio, eastern district of Louisiana. November 3, 1943, indictment charging solicitation of concessions by obtaining delivery of advise shipments without surrender of delivery orders; 10 counts.

United States v. Gulf, M. & O. R. Co., eastern district of Louisiana. July 26, 1944, information charging extension of credit for freight charges in violation of Commission's regulations; 10 counts.

United States v. William B. Hamrick, southern district of Mississippi. May 5, 1944, indictment charging soliciting, accepting and receiving concessions by billing shipments from points taking lower rates than applied from actual points of origin; 5 counts.

United States v. Indiana Harbor Belt R. Co., northern district of Illinois. August 8, 1944, complaint charging violation of Commission's Service Order No. 174; 9 counts.

United States v. Jumonville Pipe & Machinery Co., Inc., and E. A. Jumonville, eastern district of Louisiana. November 3, 1943, indictment charging acceptance of concessions through false billing; 15 counts.

United States v. William D. Kennedy, southern district of Mississippi. May 5, 1944, indictment charging soliciting, accepting and receiving concessions by billing shipments from points taking lower rates than applied from actual points of origin; 5 counts.

United States v. Missouri-Kansas-Texas R. Co. of Texas, northern district of Texas. July 17, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Joseph J. Monteleone, eastern district of Louisiana. November 3, 1943, indictment charging solicitation of concessions by obtaining delivery of advise shipments without surrender of delivery orders; 10 counts.

United States v. Peter X. Monteleone, eastern district of Louisiana. November 3, 1943, indictment charging solicitation of concessions by obtaining delivery of advise shipments without surrender of delivery orders; 5 counts.

United States v. New York Central R. Co., eastern district of Illinois. December 6, 1943, information charging the making of false entries in waybills; 5 counts.

United States v. New York Central R. Co., southern district of New York. July 24, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. New York, C. & St. L. R. Co., northern district of Indiana. March 2, 1944, information charging the making of false entries in waybills; 10 counts.

United States v. New York, C. & St. L. R. Co., northern district of Ohio. July 17, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Norfolk & W. Ry. Co., eastern district of Virginia. September 20, 1944, information charging granting of concessions by permitting rebilling of shipments at intermediate point to defeat interstate rate; 5 counts.

United States v. Norfolk & W. Ry. Co., western district of Virginia. October 31, 1944, complaint charging violations of Commission's Service order No. 178; 5 counts.

United States v. Howard S. Palmer et al., Trustees, New York, N. H. & H. R. Co., district of Connecticut. August 1, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Pennsylvania R. Co., eastern district of Pennsylvania. July 24, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Pere Marquette Ry. Co., eastern district of Michigan. July 19, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Pere Marquette Ry. Co., western district of Michigan. November 9, 1943, information charging willful failure to observe tariffs by failing to assess icing charges; 20 counts.

United States v. Ry. Express Agency, Inc., northern district of Ohio. August 25, 1944, information charging suffering and permitting false billing; 10 counts.

United States v. Reading Co., eastern district of Pennsylvania. July 24, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Reliance Fertilizer & Lime Corp., eastern district of Virginia. September 20, 1944, information charging solicitation of concessions by rebilling of shipments at an intermediate point to defeat applicable interstate rates; 2 counts.

United States v. Richmond, F. & P. R. Co., eastern district of Virginia. July 21, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Roddis Lumber and Veneer Co., western district of Wisconsin. May 9, 1944, information charging accepting concessions through false billing; 2 counts.

United States v. Murray J. Rymland, district of Maryland. September 7, 1944, indictment charging filing of a false claim; 1 count.

United States v. Henry A. Scandrett, et al., Trustees, Chicago, M, St. P. & P. R. Co., northern district of Illinois. July 19, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Smith-Douglas Co., Inc., eastern district of Virginia. September 20, 1944, information charging solicitation of concessions by rebilling of shipments at an intermediate point to defeat applicable interstate rates; 2 counts.

United States v. Southern Ry. Co., eastern district of South Carolina. December 29, 1943, complaint charging violations of Commission's Service Order No. 68; 25 counts.

United States v. Southern Ry. Co., District of Columbia. July 28, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Southern Ry. Co., eastern district of Virginia. September 20, 1944, information charging granting of concessions by permitting rebilling of shipments at intermediate point to defeat interstate rate; 5 counts.

United States v. Texas & P. Ry. Co., eastern district of Louisiana. November 10, 1943, indictment charging suffering and permitting false billing; 5 counts.

United States v. Cuy A. Thompson, Trustee, Missouri Pac. R. Co., eastern district of Missouri. July 17, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

United States v. Virginian Ry. Co., eastern district of Virginia. July 25, 1944, complaint charging violations of Commission's Service Order No. 178; 5 counts.

SUMMARY OF CASES CONCLUDED IN UNITED STATES DISTRICT COURTS BETWEEN NOVEMBER 1, 1943, AND OCTOBER 31, 1944, INCLUSIVE, FOR VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PART I, AND THE ELKINS ACT

United States v. Aberdeen & R. R. Co., eastern district of North Carolina, information charging failure to assess and collect demurrage charges. July 11, 1944, plea of *nolo contendere* entered and fine of \$1,000 imposed.

United States v. Atchison, T. & S. F. Ry. Co., northern district of Illinois, complaint charging violations of Commission's Service Order No. 178. September 1, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Atlantic Coast Line R. Co., eastern district of South Carolina, complaint charging violations of Commission's Service Order No. 68. May 14, 1944, confession of judgment entered and penalty of \$500 imposed.

United States v. Baltimore & O. R. Co., district of Maryland, complaint charging violations of Commission's Service Order No. 178. September 22, 1944, confession of judgment entered and penalty of \$500 imposed.

United States v. Harvard R. Birdsong, eastern district of Virginia, information charging solicitation of concession by means of rebilling shipments at an intermediate point to defeat applicable interstate rate. October 18, 1944, plea of *nolo contendere* entered and fine of \$1,500 imposed.

United States v. Chesapeake & O. Ry. Co., northern district of Ohio, complaint charging violations of Commission's Service Order No. 178. September 29, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Chicago & E. I. R. Co., eastern district of Illinois, information charging the making of false entries in waybills. January 28, 1944, plea of *nolo contendere* entered and fine of \$500 imposed.

United States v. Chicago, B. & Q. R. Co., northern district of Illinois, complaint charging violations of Commission's Service Order No. 178. September 1, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Connor Lumber & Land Co. and A. J. Ford, eastern district of Wisconsin, indictment charging acceptance of concessions obtained by means of false billing. February 11, 1944, verdict of not guilty rendered.

United States v. Charles Crews, southern district of Mississippi, indictment charging granting concessions by means of permitting shippers to bill shipments from points taking lower rates than applied from actual points of origin. September 18, 1944, plea of guilty entered and fine of \$5,000 imposed, all of which with exception of \$25 was suspended. Defendant placed on probation for 60 days.

United States v. Robert S. DeBruyn, western district of Michigan, information charging soliciting concessions by failure to declare that shipments of vegetables were iced. February 10, 1944, plea of *nolo contendere* entered and fine of \$2,000 imposed.

United States v. Delaware, L. & W. R. Co., southern district of New York, complaint charging violations of Commission's Service Order No. 178. October 2, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Elgin, J. & E. Ry. Co., northern district of Illinois, complaint charging violations of Commission's Service Order No. 68. January 28, 1944, confession of judgment entered and penalty of \$5,000 imposed.

United States v. Erie R. Co., northern district of Ohio, complaint charging violations of Commission's Service Order No. 178. October 6, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Overton C. Evans, eastern district of Kentucky, indictment charging soliciting and accepting concessions by means of false billing. September 15, 1944, plea of *nolo contendere* entered and fine of \$1,000 imposed.

United States v. Grand Trunk Western R. Co., western district of Michigan, information charging willful failure to observe tariffs by failing to assess icing charges. February 16, 1944, plea of *nolo contendere* entered and fine of \$1,000 imposed.

United States v. Gulf, M. & O. R. Co., eastern district of Louisiana, information charging extension of credit in violation of Commission's regulations. October 18, 1944, plea of guilty entered and fine of \$1,000 imposed.

United States v. William B. Hamrick, southern district of Mississippi, indictment charging soliciting, accepting, and receiving concessions by means of billing shipments from points taking lower rates than applied from actual points of origin. September 18, 1944, plea of guilty entered and fine of \$5,000 imposed, all of which with exception of \$250 was suspended. Defendant placed on probation for 60 days.

United States v. Jumonville Pipe & Machinery Co., Inc., and E. A. Jumonville, eastern district of Louisiana, indictment charging acceptance of concessions by means of false billing. April 10, 1944, pleas of *nolo contendere* entered and fines of \$2,000 upon corporate defendant and \$3,000 upon individual defendant imposed.

United States v. William D. Kennedy, southern district of Mississippi, indictment charging soliciting, accepting, and receiving concessions by means of billing shipments from points taking lower rates than applied from actual points of origin. September 18, 1944, plea of guilty entered and fine of \$5,000 imposed, all of which with exception of \$250 was suspended. Defendant placed on probation for 60 days.

United States v. Oscar M. Kilby, northern district of Alabama, indictment charging solicitation of concessions whereby demurrage charges would be waived. May 10, 1944, *nolle prosequi* entered.

United States v. Kilby Steel Co., northern district of Alabama, indictment charging solicitation of concessions whereby demurrage charges would be waived. May 10, 1944, plea of *nolo contendere* entered and fine of \$2,000 imposed.

United States v. Larsen Co., western district of Michigan, information charging soliciting concessions by failure to declare that shipments of vegetables were iced. February 10, 1944, plea of *nolo contendere* entered and fine of \$4,000 imposed.

United States v. Missouri-Kansas-Texas R. Co. of Texas, northern district of Texas, complaint charging violations of Commission's Service Order No. 178. September 5, 1944, confession of judgment entered and penalty of \$200 imposed.

United States v. New York Central R. Co., eastern district of Illinois, information charging the making of false entries in waybills. December 30, 1943, plea of *nolo contendere* entered and fine of \$500 imposed.

United States v. New York Central R. Co., western district of Michigan, information charging willful failure to observe tariffs by failing to assess icing charges. February 10, 1944, plea of *nolo contendere* entered and fine of \$1,500 imposed.

United States v. New York Central R. Co., southern district of New York, complaint charging violations of Commission's Service Order No. 178. October 2, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. New York, C. & St. L. R. Co., northern district of Indiana, information charging the making of false entries in waybills. April 21, 1944, plea of *nolo contendere* entered and fine of \$1,000 imposed.

United States v. New York, C. & St. L. R. Co., northern district of Ohio, complaint charging violations of Commission's Service Order No. 178. September 29, 1944, confession of judgment entered and fine of \$1,000 imposed.

United States v. Norfolk & W. Ry. Co., eastern district of Virginia, information charging granting of concessions by permitting rebilling of shipments at intermediate point to defeat applicable interstate rate. October 18, 1944, plea of *nolo contendere* entered and fine of \$5,000 imposed.

United States v. Pennsylvania R. Co., eastern district of Pennsylvania, complaint charging violations of Commission's Service Order No. 178. October 3, 1944, confession of judgment entered and penalty of \$500 imposed.

United States v. Pennsylvania R. Co., western district of Michigan, information charging willful failure to observe tariffs by failing to assess icing charges. February 10, 1944, plea of *nolo contendere* entered and fine of \$1,500 imposed.

United States v. Pere Marquette Ry. Co., western district of Michigan, information charging willful failure to observe tariffs by failing to assess icing charges. February 10, 1944, plea of *nolo contendere* entered and fine of \$3,000 imposed.

United States v. Reading Co., eastern district of Pennsylvania, complaint charging violations of Commission's Service Order No. 178. October 3, 1944, confession of judgment entered and penalty of \$500 imposed.

United States v. Reliance Fertilizer & Lime Corp., eastern district of Virginia, information charging solicitation of concessions by means of rebilling shipments at intermediate point to defeat applicable interstate rate. October 18, 1944, plea of *nolo contendere* entered and fine of \$2,000 imposed.

United States v. Richmond, F. & P. R. Co., eastern district of Virginia, complaint charging violations of Commission's Service Order No. 178. October 17, 1944, confession of judgment entered and penalty of \$500 imposed.

United States v. Roddis Lumber and Veneer Co., western district of Wisconsin, information charging accepting concessions by means of false billing. June 7, 1944, plea of *nolo contendere* entered and fine of \$2,000 imposed.

United States v. Henry A. Scandrett, et al., Trustees, Chicago, M., St. P. and P. R. Co., northern district of Illinois, complaint charging violations of Commission's Service Order No. 178. September 1, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Smith-Douglass Co., Inc., eastern district of Virginia, information charging solicitation of concessions by means of rebilling shipments at an intermediate point to defeat applicable interstate rate. October 18, 1944, plea of *nolo contendere* entered and fine of \$2,000 imposed.

United States v. Southern Ry. Co., eastern district of South Carolina, complaint charging violations of Commission's Service Order No. 68. May 18, 1944, confession of judgment entered and penalty of \$500 imposed.

United States v. Southern Ry. Co., District of Columbia, complaint charging violations of Commission's Service Order No. 178. October 10, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Southern Ry. Co., eastern district of Virginia, information charging granting of concessions by permitting rebilling of shipments at intermediate point to defeat applicable interstate rate. October 18, 1944, plea of *nolo contendere* entered and fine of \$2,000 imposed.

United States v. L. C. Sprague, Receiver, Minneapolis & St. L. R. Co., and J. W. Devins, northern district of Iowa, indictment charging granting concessions through failure to observe published tariffs. May 16, 1944, plea of guilty entered on behalf of receiver defendant and fine of \$2,000 imposed. *Nolle prosequi* entered on behalf of defendant Devins.

United States v. Texas and Pac. Ry. Co., eastern district of Louisiana, indictment charging suffering and permitting false billing. April 6, 1944, plea of guilty entered and fine of \$2,000 imposed.

APPENDIX B

SUMMARIES SHOWING ACTION TAKEN SINCE THE PERIOD COVERED BY THE LAST ANNUAL REPORT WITH RESPECT TO CASES INVOLVING ORDERS AND REQUIREMENTS OF THE COMMISSION AND STATUS ON OCTOBER 31, 1944, OF CASES PENDING IN THE COURTS

CASES DECIDED BY THE COURTS SINCE OCTOBER 31, 1943

SUPREME COURT OF THE UNITED STATES

Interstate Commerce Commission v. Hoboken Mfrs. R. Co.

For case history see 1943 Annual Report, page 140. On December 6, 1943, judgment of the district court was reversed, and the Commission's order sustained (320 U. S. 368).

Crescent Express Lines, Inc., v. United States.

For case history see 1943 Annual Report, page 141. On December 6, 1943, judgment of the district court was affirmed (320 U. S. 401).

Chicago & N. W. Ry. Co. v. United States.

For case history see 1943 Annual Report, page 147. On November 24, 1943, the case was docketed on appeal to the Supreme Court, and on December 6, 1943, the judgment of the district court was affirmed *per curiam* (320 U. S. 718).

McLean Trucking Co., Inc., v. United States.

For case history see 1943 Annual Report, page 140. On January 17, 1944, the Commission's order was sustained (321 U. S. 67).

Thomson, Trustee, Chicago & N. W. Ry. Co. v. United States.

For case history see 1943 Annual Report, page 141. On January 17, 1944, the Commission's order was held invalid (321 U. S. 19).

Public Service Commn. of New York v. United States.

For case history see 1943 Annual Report, page 142. On January 3, 1944, the Commission's order was held invalid (320 U. S. 685).

Eastern Central Motor Carriers Assn. v. United States.

For case history see 1943 Annual Report, page 140. On February 7, 1944, the Commission's order was set aside (321 U. S. 194).

Hanna Furnace Corp. v. United States.

For case history see 1943 Annual Report, page 146. On December 3, 1943, the Commission's order was sustained (53 Fed. Supp. 341), and on October 9, 1944, the judgment of the district court was affirmed by the Supreme Court.

John J. Casale, Inc., v. United States.

For case history see 1943 Annual Report, page 148. On December 8, 1943, the Commission's order was sustained (52 Fed. Supp. 1005), and on February 15, the case was docketed on appeal to the Supreme Court. On March 6, 1944, the decree of the district court was affirmed (321 U. S. 752).

United States v. Wabash R. Co.

For case history see 1943 Annual Report, page 142. On March 27, 1944, judgment of the district court was reversed, and the Commission's order sustained (321 U. S. 403).

Chicago, St. P., M. & O. Ry. Co. v. United States.

For case history see 1942 Annual Report, page 167, and 1943 Annual Report, page 142. On November 9, 1943, the case was docketed on appeal to the Supreme Court, and on April 10, 1944, decree of the district court was affirmed (322 U. S. 1).

Cornell Steamboat Co. v. United States.

For case history see 1943 Annual Report, page 142. On April 3, 1944, the judgment of the district court was affirmed (321 U. S. 634).

United States v. Marshall Transport Co., Inc.

For case history see 1943 Annual Report, page 148. On January 10, 1944, the case was docketed on appeal to the Supreme Court, and on April 24, 1944, decree of the district court was reversed, and the Commission's order sustained (322 U. S. 31).

Interstate Commerce Commission and H. & M. R. Co. v. City of Jersey City.

For case history see page 113 this volume. On May 29, 1944, judgment of the

district court (54 Fed. Supp. 315) was reversed and the Commission's order sustained (322 U. S. 503).

Pyramid Moving Co. v. United States.

For case history see page 113 this volume (322 U. S. 715).

North Coast Transp. Co. v. United States.

For case history see 1943 Annual Report, page 146. On March 2, 1944, the Commission's order was sustained (54 Fed. Supp. 448), and on October 9, 1944, the Supreme Court, in a *per curiam* opinion, affirmed the judgment of the district court.

CIRCUIT COURT OF APPEALS, SECOND CIRCUIT

Protective Committee for Old Colony R. R. Bonds v. Trustees.

For case history see page 120, this volume.

DISTRICT COURTS OF THE UNITED STATES

Pyramid Moving Co. v. United States, northern district of Ohio, eastern division.

For case history see 1943 Annual Report, page 148. On November 12, 1943, the court entered a *per curiam* opinion vacating the stay order of November 8, 1943, and sustaining the Commission's order. (See 57 Fed. Supp. 278.) On March 13, 1944, appeal to the Supreme Court was allowed, and on March 28, 1944, motion to affirm of United States and Commission was filed. On June 5, 1944, judgment of the district court was affirmed (322 U. S. 715).

Pennsylvania R. Co. v. United States, district of New Jersey.

For case history see 1943 Annual Report, page 143, and 1942 Annual Report, page 165. On December 8, 1943, the court entered a supplemental opinion and final decree sustaining the per diem charge (55 Fed. Supp. 473), and on April 4, 1944, the case was docketed on appeal to the Supreme Court. On May 1, 1944, the Commission filed a return to the rule to show cause order, entered by the Supreme Court on April 24, 1944, as to why the cause should not be considered moot. On May 8, 1944, the rule was discharged and probable jurisdiction noted.

John J. Casale, Inc., v. United States, district of Delaware.

For case history see page 112, this volume.

Hanna Furnace Corp. v. United States, western district of New York.

For case history see 1943 Annual Report, page 146, and page 112, this volume.

Bush Transfer, Inc., v. United States, western district of North Carolina, Statesville Division.

For case history see page 118, this volume.

Brotherhood of Locomotive Firemen & Enginemen v. Interstate Commerce Commission, District of Columbia.

For case history see 1943 Annual Report, page 147. On January 12, 1944, the Commission's determination that it was without jurisdiction was sustained, and on April 7, 1944, the case was docketed on appeal to the United States Court of Appeals for the District of Columbia.

City of Jersey City v. United States, district of New Jersey.

For case history see 1943 Annual Report, page 148. On November 26, 1943, an interlocutory injunction was granted, and on January 11, 1944, the Commission's order, on final hearing, was held invalid (54 Fed. Supp. 315). On May 29, 1944, judgment of the district court was reversed by the Supreme Court, and the Commission's order sustained (322 U. S. 503).

Penna R. Co. v. United States, district of Maryland.

Suit to set aside Commission's order of March 18, 1943, in *D. A. Stickell & Sons, Inc., v. Alton R. Co., et al.*, 255 I. C. C. 333, prescribing through routes from St. Louis, Mo., Chicago, East St. Louis and Cairo, Ill., via Hagerstown, Md., to destinations on the Pennsylvania R. Co. east of York, Pa.

On November 4, 1943, the petition was filed, and on March 2, 1944, the Commission's order was sustained (54 Fed. Supp. 381). On June 21, 1944, the case was docketed on appeal in the Supreme Court.

Motor Carriers Central Freight Assn., a Michigan Corporation v. United States, northern district of Ohio, eastern division.

Suit to set aside Commission's order of February 23, 1943, in *Aetna Freight Lines Common Carrier Application*, 41 M. C. C. 829, authorizing applicant to continue operations as a common carrier by motor vehicle in interstate or foreign commerce in the transportation of iron, steel, and iron and steel articles, et cetera, through the territory and over the routes named.

On November 6, 1943, the complaint was filed, and on March 3, 1944, the Commission's order was sustained and the complaint dismissed. On June 30,

1944, the case was discontinued, because not appealed within the time prescribed by law.

North-South Freightways, Inc., v. United States, southern district of New York.

For case history see 1942 Annual Report, page 166. On February 29, 1944, the court entered an opinion dismissing the complaint (55 Fed. Supp. 696), and on May 24, 1944, the case was discontinued, because not appealed within the time prescribed by law.

North Coast Transportation Co. & Independent Stages, Inc., v. United States, northern district of California, southern division.

For case history see 1943 Annual Report, page 146, and page 113, this volume.

DeBardeleben Coal Corp., dba Coyle Lines, v. United States, western district of Pennsylvania.

For case history see 1943 Annual Report, page 147. On March 17, 1944, the Commission's order was sustained and the complaint dismissed (54 Fed. Supp. 643). On June 30, 1944, the case was discontinued, because not appealed within the time prescribed by law.

Erie R. Co. v. United States, southern district of Ohio, eastern division.

For case history see 1943 Annual Report, page 149. On March 24, 1944, the Commission's order was held invalid, and on May 1, 1944, the case was discontinued, the Commission having reopened the case for further consideration.

Georgia Public Service Comm. v. United States, northern district of Georgia, Atlanta division.

Suit to set aside Commission's report of November 2, 1943, and order of February 7, 1944, in *Road Aggregates within the State of Georgia*, 256 I. C. C. 475, requiring an increase in intrastate rates on road aggregates to remove the unjust discrimination found to exist against persons and localities in interstate commerce.

On March 7, 1944, the petition was filed, and on April 8, 1944, decree setting aside the Commission's order was entered. On June 5, 1944, the case was discontinued, because of reopening of the proceeding by the Commission for further consideration.

Kingan & Co. v. United States, southern district of Indiana, Indianapolis division.

Suit to set aside Commission's order of June 2, 1943, postponed to become effective December 30, 1943, in *Kingan & Co. Terminal Allowance*, 255 I. C. C. 531, in Ex Parte 104, part II, and to enjoin the railroad defendants from discontinuing payment by them to plaintiff of the switching charge, as prohibited by said order.

On December 10, 1944, the complaint was filed, and on April 28, 1944, the Commission's order was sustained. On June 29, 1944, the case was discontinued, because not appealed within the time prescribed by law.

Harry A. Parker, dba Parker Motor Freight, v. United States, southern district of Indiana, Indianapolis division.

Suit to set aside Commission's orders of September 25, 1943, and February 8, 1944, granting a certificate of convenience and necessity to The Willett Co. for the inauguration of truck service auxiliary to rail service between Indiana and Michigan points, Docket No. MC-2815 (Sub-No. 6).

On February 23, 1944, the complaint was filed, and on June 30, 1944, findings of fact, conclusions of law, and decree were entered by the court setting aside the Commission's orders. On September 26, 1944, the case was docketed on appeal to the Supreme Court.

Portland Tug & Barge Co. v. United States, district of Oregon.

Suit to set aside Commission's order of September 8, 1943, effective February 10, 1944, in Docket No. W-694, *Portland Tug & Barge Co. Contract Carrier Application*, insofar as it denies to plaintiff authority to rent barges to persons other than carriers subject to part III of the act.

On January 20, 1944, the complaint was filed, and on June 9, 1944 (55 Fed. Supp. 723), the Commission's order was sustained, and the complaint dismissed.

Mid-States Freight Lines, Inc., v. United States, district of Kansas, first division.

Suit to set aside Commission's orders of May 22, 1943, and November 8, 1943, as modified to become effective March 31, 1944, insofar as they require plaintiff to discontinue its operations by motor vehicle in the transportation of general commodities between Chicago, Ill., and Kansas City, Kans., with service to and from intermediate and off-route points specified in order of March 9, 1939, Docket No. MC-954 (Sub-No. 2), *Application for Interruption of Service*.

On March 17, 1944, the complaint was filed, and on July 10, 1944, the Commission's order was sustained (56 Fed. Supp. 20). On September 23, 1944, the case was discontinued, because not appealed within the time prescribed by law.

American Trucking Assns., Inc., v. United States, district of Virginia.

For case history see 1943 Annual Report, page 148. On July 17, 1944, the Commission's order was sustained (56 Fed. Supp. 394) and on October 6, 1944, the case was docketed on appeal to the Supreme Court.

Barrett Line, Inc., v. United States, southern district of Ohio.

Suit to set aside and enjoin Commission's order of June 18, 1943, in *Barrett Line, Inc., Contract Carrier Application*, 250 I. C. C. 809, denying a permit as a contract carrier under the "grandfather" clause of part III, on ground that for a period of years prior to the "grandfather" date applicant performed nothing but exempt services.

On April 3, 1944, the complaint was filed, and on July 28, 1944, the Commission's order was sustained and the complaint dismissed. On October 24, 1944, the case was docketed on appeal to the Supreme Court.

Public Service Commission, of New York v. United States, southern district of New York.

Suit to enjoin, set aside, and annul Commission's order and certificate of February 25, 1944, issued upon rehearing following the adverse decision of the United States Supreme Court in *Yonkers v. United States*, 320 U. S. 685, in Finance Docket No. 13194, *New York Central R. Co. Abandonment*, permitting abandonment of the Yonkers Branch of the New York Central extending from Van Cortlandt Park Junction, New York City, to Getty's Square, Yonkers, a distance of approximately 3.1 miles.

On April 13, 1944, the complaint was filed, and on July 17, 1944, the Commission's order was sustained, and the complaint dismissed (56 Fed. Supp. 351). On September 18, 1944, the case was docketed on appeal to the Supreme Court.

State of North Carolina v. United States, eastern district of North Carolina, Raleigh division.

Suit to annul and set aside Commission's order of May 8, 1944, in *North Carolina Intrastate Coach Fares*, 258 I. C. C. 133, requiring increases in North Carolina coach fares from 1.65 cents to 2.2 cents per mile.

On June 8, 1944, the complaint was filed, and on July 22, 1944, the Commission's order was sustained (56 Fed. Supp. 606). On October 7, 1944, the case was docketed on appeal to the Supreme Court.

Carolina Scenic Coach Lines v. United States, western district of North Carolina, Asheville division.

Suit to set aside, annul, and suspend Commission's order of October 13, 1943, in Docket No. MC-61598 (Sub-No. 9) *Smoky Mountain Stages, Inc. Extension—Augusta, Ga.*, and Docket No. MC-14486 (Sub-No. 9), *McDuff-Turner Extension—Augusta, Ga.—Nashville, N. C.*, insofar as it accords to Smoky Mountain Stages, Inc., the right to operate passenger-bus service between Clinton, S. C., and Augusta, Ga., and to enjoin the Commission from issuing a certificate as provided for in said order.

On April 15, 1944, the complaint was filed, and on July 21, 1944, the Commission's order was sustained (56 Fed. Supp. 801). On October 28, 1944, the case was docketed on appeal to the Supreme Court.

Capital Transit Co., a corporation v. United States (and four other like suits consolidated for hearing), District of Columbia.

Suits to set aside Commission's orders of January 18, 1944, in Docket No. 28991, *Passenger Fares Between District of Columbia and Nearby Virginia*, wherein the Commission prescribed the fares to be charged between points in the District and the Pentagon Building and other governmental installations in nearby Virginia.

On March 11, 1944, the complaints were filed, and on May 1, 1944, the Commission's orders were held invalid (55 Fed. Supp. 51).

On July 1, 1944, plaintiffs filed motion for amendment of order of the court entered May 15, 1944, and for order supplemental thereto, and for interlocutory order *pendente lite*. On August 25, 1944, the motion was overruled, and a permanent injunction was granted (56 Fed. Supp. 670).

Hancock Truck Lines, Inc., v. United States, southern district of Indiana, Indianapolis division.

Suit to enjoin and set aside Commission's order in Docket No. MC-25567 (Sub-No. 8) (formerly MC-3339), *Hancock Truck Lines, Inc., Successor to Globe Cartage Co., Inc.*, insofar as it attempts to limit and restrict plaintiff's operations as a common carrier of general commodities to such general commodities as are at the time moving on bills of lading of freight forwarders.

On March 29, 1944, the complaint was filed, and on May 26, 1944, an injunction was granted. On September 9, 1944, the case was docketed on appeal to the Supreme Court.

Mississippi Valley Barge Line Co. v. United States, western district of Pennsylvania.

Suit to set aside Commission's order of January 13, 1943, in Docket No. W-313, *Coal City Towing Co. Contract Carrier Application* (unreported), granting certificate to said company as a common carrier by towing vessels on the Allegheny and Monongahela Rivers and the Ohio River east of and including North Bend, Ohio.

On November 23, 1943, the complaint was filed, and on July 31, 1944, the Commission's order was held invalid (56 Fed. Supp. 1). On September 6, 1944, the case was discontinued, due to reopening of the proceeding by the Commission.

Jack Cole Co., Inc., v. United States, northern district of Alabama.

Suit to set aside Commission's order of January 14, 1943, in *Jack Cole Co. Inc., Common Carrier Application*, 41 M. C. C. 657, wherein applicant was denied certain grandfather rights on the ground that he did not show continuous service in the territory claimed.

On February 28, 1944, the complaint was filed, and on September 7, 1944, decree, dismissing the complaint, was entered by the court.

State of Alabama v. United States, western district of Kentucky.

Suit to annul and set aside Commission's order of May 8, 1944, in *Alabama Intrastate Fares*, 258 I. C. C. 133, requiring increases in Alabama intrastate coach fares to the same level as the interstate coach fares.

On June 12, 1944, the complaint was filed, and on August 3, 1944, the Commission's order was sustained (56 Fed. Supp. 478). On October 9, 1944, the case was docketed on appeal to the Supreme Court.

Commonwealth of Kentucky v. United States, western district of Kentucky.

Suit to annul and set aside Commission's order of May 8, 1944, in *Kentucky Intrastate Fares*, 258 I. C. C. 133, requiring increases in Kentucky intrastate coach fares to the same level as the interstate coach fares.

On June 12, 1944, the complaint was filed, and on August 3, 1944, the Commission's order was sustained (56 Fed. Supp. 478). On October 9, 1944, the case was docketed on appeal to the Supreme Court.

State of Tennessee v. United States, western district of Kentucky.

Suit to annul and set aside Commission's order of May 8, 1944, in *Tennessee Intrastate Fares*, 258 I. C. C. 133, requiring increases in Tennessee intrastate coach fares to the same level as the interstate coach fares.

On June 12, 1944, the complaint was filed, and on August 3, 1944, the Commission's order was sustained (56 Fed. Supp. 478). On October 9, 1944, the case was docketed on appeal to the Supreme Court.

Guy M. Turner, and Frank A Turner, dba Turner's Transfer v. United States, middle district of North Carolina, Greensboro division.

Suit to set aside Commission's report and order of December 30, 1943, in *Turner's Transfer Common Carrier Application*, 27 M. C. C. 131, 43 M. C. C. 841, insofar as it denied applicant operating rights under sec. 206 (a) of the Motor Carrier Act.

On June 16, 1944, the complaint was filed, and on August 7, 1944, the injunction was denied and the complaint dismissed (56 Fed. Supp. 798). On September 16, 1944, the case was docketed on appeal to the Supreme Court.

Dohrn Transportation Co. v. United States, southern district of Illinois, northern division.

Suit to annul and set aside Commission's certificate dated September 23, 1943, in Docket No. MC-40029, *Lawrence A. Elliott, dba. L. A. Elliott Truck Transportation, Rock Island, Ill.*, authorizing, in part, the right to transport general commodities with certain exceptions, between St. Louis, Mo., and Davenport, Iowa, over U. S. Highway 67, with service to and from specified intermediate points and the off-route points Moline and East Moline, Ill., and Bettendorf, Iowa.

On January 14, 1944, the bill of complaint was filed, and on September 14, 1944, the Commission's order and certificate were set aside.

Andrew B. Crichton, dba Super Service Motor Freight Co. v. United States, southern district of New York.

Suit to set aside and enjoin Commission's report and order of November 2, 1943, in Docket No. MC-76037, *Southeastern Motor Lines, Inc., Common Carrier Application*, insofar as said report authorizes the issuance of a certificate of public convenience and necessity in *Associated Transport, Inc.—Control and Consolidation*, 38 M. C. C. 137, as a common carrier by motor vehicle in interstate or foreign commerce, of general commodities with exceptions, between Nashville and Knoxville, Tenn., over regular routes.

On February 4, 1944, the complaint was filed, and on August 25, 1944, the

court entered findings of fact, conclusions of law, and final decree, dismissing the complaint (56 Fed. Supp. 876).

Pierce Auto Freight Lines, Inc., a Corporation v. United States, district of Oregon.

Suit to set aside Commission's order of March 1, 1943, in Docket No. MC-42487, (Sub-No. 15, Sub-No. 18, Sub-No. 19, and Sub-No. 20), *Consolidated Freightways, Inc., Extension Applications*, and Docket No. MC-9115 (Sub-No. 1), *Oregon-Nevada-California Fast Freight, Inc., Extension Application*, granting applicants operating rights in interstate and foreign commerce between San Francisco and points in Oregon.

On January 14, 1944, the complaint was filed, and on September 20, 1944, the Commission's order was set aside. (See 57 Fed. Supp. 192.)

Service Trucking Co., Inc., v. United States, district of Maryland.

For case history see page 121, this volume.

Harrison Motor Freight v. United States, district of New Jersey.

For case history see 1943 Annual Report, page 148.

On November 10, 1943, an interlocutory injunction was granted.

Union Van Corp. v. United States, northern district of Illinois, eastern division.

For case history see 1943 Annual Report, page 149.

On February 21, 1944, the Commission's order was sustained and on April 22, 1944, the case was discontinued, because not appealed within the time prescribed by law.

Eliason & Rismon v. United States, northern district of Illinois, eastern division.

For case history see page 118, this volume.

Detroit & Cleveland Navigation Co. v. United States, eastern district of Michigan, southern division.

Suit to set aside Commission's order of March 7, 1944, granting a certificate of public convenience and necessity to T. J. McCarthy Steamship Co., and Automotive Trades Steamship Co., for the operation as a common carrier of automobiles by water between Lake Erie and Lake Superior points, in *T. J. McCarthy S. S. Co. Common Carrier Application*, 260 I. C. C. 175.

On June 3, 1944, the complaint was filed, and on September 29, 1944, the Commission's order was held invalid and set aside. (See 57 Fed. Supp. 81.)

CASES DISCONTINUED

COURT OF APPEALS, STATE OF NEW YORK

Transit Commission v. Long Island R. Co. For case history see 1943 Annual Report, page 145. On February 1, 1944, the case was discontinued, because not appealed within the time prescribed by law.

DISTRICT COURTS OF THE UNITED STATES

Greyvan Lines, Inc., v. United States, northern district of Illinois, eastern division.

For case history see 1942 Annual Report, page 166, and 1943 Annual Report, page 146. On November 18, 1943, the case was discontinued, because not appealed within the time prescribed by law.

Trans-American Freight Lines, Inc., v. United States, district of Delaware.

For case history see 1942 Annual Report, page 167, and 1943 Annual Report, page 143. On November 10, 1943, the case was discontinued, because not appealed within the time prescribed by law.

State of Idaho v. United States, district of Utah, central division.

For case history see 1943 Annual Report, page 143. On November 10, 1943, the case was discontinued, because not appealed within the time prescribed by law.

Kansas City & Leavenworth Transp. Co. v. United States, district of Delaware.

For case history see 1943 Annual Report, page 147. On November 30, 1943, the case was discontinued, because not appealed within the time prescribed by law.

Pacific Inland Tariff Bureau v. United States, western district of Washington.

For case history see 1942 Annual Report, page 166, and 1943 Annual Report, page 142. On December 1, 1943, the case was discontinued, because not appealed within the time prescribed by law.

Red Ball, Inc., v. United States, northern district of Oklahoma.

For case history see 1942 Annual Report, page 166, and 1943 Annual Report, page 143. On December 1, 1943, the case was discontinued, because of the proceeding having been reopened by the Commission for further consideration.

Alabama Highway Express, Inc., v. United States, northern district of Alabama, southern division.

For case history see 1943 Annual Report, page 148. On January 3, 1944, the case was discontinued because of the proceeding having been reopened by the Commission for further consideration.

Summit Fast Freight, Inc., v. United States, northern district of Ohio.

For case history see 1942 Annual Report, page 165. On February 1, 1944, advice received of dismissal of case without prejudice, on stipulation of the parties, at plaintiff's costs.

Bush Transfer, Inc., v. United States, western district of North Carolina, Statesville division.

For case history see 1943 Annual Report, page 147. On January 18, 1944, the Commission's report and certificate were sustained (53 Fed. Supp. 640), and on March 20, 1944, the case was discontinued, because not appealed within the time prescribed by law.

Eliason and Rismon v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's order of July 24, 1943, in *Chicago, M., St. P. & P. R. Co., Trustees Abandonment*, 254 I. C. C. 816, authorizing abandonment of a branch line of the Milwaukee R. between Woodruff and Star Lake, approximately 16.8 miles, all in Oneida and Vilas Counties, Wis.

On November 27, 1943, the complaint was filed, and on January 28, 1944, the complaint was dismissed for want of equity. On March 30, 1944, the case was discontinued, because not appealed within the time prescribed by law.

Union Van Corp. v. United States, northern district of Illinois, eastern division.

For case history see 1943 Annual Report, page 149. On February 21, 1944, a decree dismissing the complaint was entered by the court, and on April 22, 1944, the case was discontinued, because not appealed within the time prescribed by law.

North-South Freightways, Inc., v. United States, southern district of New York.

For case history see page 114, this volume.

Tri-State Motor Transport, Inc., v. United States, western district of Missouri, southwestern division.

Suit to set aside temporary authority granted in Docket No. MC-104454-TA, by the Commission's order of October 27, 1943, granting to Sidney Smith temporary authority as a contract carrier of high explosives.

On November 10, 1943, the complaint was filed, and on December 2, 1943, the case was dismissed by the court on plaintiff's motion.

Georgia Public Service Commission v. United States, northern district of Georgia, Atlanta division.

For case history see page 114, this volume.

Motor Carriers Central Freight Assn. v. United States, northern district of Ohio, eastern division.

For case history see page 113, this volume.

Kingan & Co. v. United States, southern district of Indiana, Indianapolis division.

For case history see page 114, this volume.

DeBardleben Coal Corp., dba Coyle Lines, v. United States, western district of Pennsylvania.

For case history see page 114, this volume.

Menard Truck Co. v. United States, southern district of California, central division.

For case history see 1942 Annual Report, page 164. On July 1, 1944, the case was discontinued, because of the reopening of the proceeding by the Commission.

Rosenblatt's Friendly Mountain Line, Inc., v. Harry Grossman, et al. and T. G. Reynolds, eastern district of New York.

Suit by holders of passenger-carrier certificates against parties alleged to be carrying on competing operations without certificate, T. G. Reynolds, District Director for Bureau of Motor Carriers, being joined as a party defendant.

On July 3, 1944, the complaint was filed, and on July 26, 1944, upon motion and consent of counsel for plaintiffs, the suit was dismissed as to defendant T. G. Reynolds.

Inland Motor Freight v. United States, eastern district of Washington.

For case history see 1942 Annual Report, page 164, and 1941 Annual Report, page 159. On August 1, 1944, the case was discontinued, because of the reopening of proceeding by the Commission.

Independent Movers & Warehousemen's Assn., Inc., v. Interstate Commerce Commission, District of Columbia.

Petition for writ of mandamus to compel the Commission to determine the

"grandfather" operating rights, if any, to which Allied Van Lines, Inc., is entitled under sec. 206 of the Interstate Commerce Act, embraced in the application of Allied Van Lines, Inc., filed with the Commission on February 7, 1936, in Docket No. MC-15735.

On December 8, 1943, the petition was filed. On September 5, 1944, the suit was dismissed by the plaintiff, because of the satisfactory action on the part of the Commission.

Mississippi Valley Barge Line Co. v. United States, western district of Pennsylvania.

For case history see page 116, this volume.

Mid-States Freight Lines, Inc., Chicago, Ill. v. United States, district of Kansas, first division.

For case history see page 114, this volume.

Boston Tow Boat Co. v. United States, district of Massachusetts.

For case history see 1943 Annual Report, page 147. On September 26, 1944, the case was dismissed by the court on plaintiff's motion.

Ross Towboat Co. v. United States, district of Massachusetts.

For case history see 1943 Annual Report, page 148. On September 26, 1944, the case was dismissed by the court on plaintiff's motion.

Illinois-Minnesota Motor Carriers' Conference, Inc., v. United States, district of Minnesota, fourth division.

For case history see 1943 Annual Report, page 147. On March 4, 1944, the case was dismissed without trial by the District Court.

Mid-States Freight Lines, Inc., v. United States, district of Columbia.

Suit to set aside the Commission's orders of May 22, 1943, and November 8, 1943 (as modified to become effective December 31, 1943) insofar as they require plaintiff to discontinue its operations by motor vehicle in the transportation of general commodities between Chicago, Ill., and Kansas City, Kans., with service to and from intermediate and off-route points specified in the order of March 9, 1939, Docket No. MC-954 (Sub-No. 2.).

On December 30, 1943, the complaint was filed, and on March 13, 1944, it was dismissed by the court on plaintiff's motion.

Erie R. Co. v. United States, southern district of Ohio, eastern division.

For case history see 1943 Annual Report, page 149. On March 24, 1944, the Commission's order was held invalid, and on May 1, 1944, the proceeding was reopened by the Commission and the court proceeding discontinued.

CASES PENDING

SUPREME COURT OF THE UNITED STATES

United States v. Pennsylvania R. Co.

For case history see page 113, this volume.

Pennsylvania R. Co. v. United States.

For case history see page 113, this volume.

United States v. Hancock Truck Lines.

For case history see page 115, this volume.

Guy M. Turner and Frank A. Turner dba Turner's Transfer, v. United States.

For case history see page 116, this volume.

Public Service Commission of New York v. United States.

For case history see page 115, this volume.

Interstate Commerce Commission v. Harry A. Parker dba Parker Motor Freight.

For case history see page 114, this volume.

American Trucking Assn. v. United States.

For case history see page 114, this volume.

North Carolina v. United States.

For case history see page 115, this volume.

Carolina Scenic Coach Lines v. United States.

For case history see page 115, this volume.

Barrett Line, Inc. v. United States.

For case history see page 115, this volume.

State of Alabama v. United States.

For case history see page 116, this volume.

Commonwealth of Kentucky v. United States.

For case history see page 116, this volume.

State of Tennessee v. United States.

For case history see page 116, this volume.

COURT OF APPEALS, DISTRICT OF COLUMBIA

Brotherhood of Locomotive Firemen & Enginemen v. Interstate Commerce Commission.

For case history see 1943 Annual Report, page 147, and page 113, this volume.

CIRCUIT COURT OF APPEALS, SECOND CIRCUIT

Protective Committee for Old Colony Railroad Bonds v. Trustees of New York, N. H. & H. R. Co.

Appeals from order of United States District Court, District of Connecticut, approving plan of reorganization for New York, New Haven & Hartford R. Co.

On September 21, 1944, notice of motion of appellants was made to Circuit Court of Appeals, Second Circuit, asking for a staying of the submission to creditors, et cetera, of the plan of reorganization. On September 25, 1944, argument was held on motion for temporary stay, following which temporary stay was denied.

DISTRICT COURTS OF THE UNITED STATES

In the Matter of Chicago, R. I. & P. Ry. Co., Debtor, northern district of Illinois, eastern division.

For case history see 1942 Annual Report, page 164, and 1941 Annual Report, page 160.

Spring Valley Motor Coach Co., Inc., v. United States, south district of New York.

For case history see 1943 Annual Report, page 146.

Rockland Coaches, Inc., v. United States, southern district of New York.

For case history see 1943 Annual Report, page 146.

Auclair v. United States, district of Massachusetts.

For case history see 1943 Annual Report, page 146.

Harrison Motor Freight v. United States, district of New Jersey.

For case history see 1943 Annual Report, page 148, and page 117, this volume.

On November 10, 1943, an interlocutory injunction was granted.

Earl F. Schultz dba Service Transfer & Storage Co. v. United States, western district of Wisconsin.

Suit to set aside Commission's orders of October 30, 1942, and September 7, 1943, in Docket No. MC-F-1813, permitting the purchase by Moland Bros. Trucking Co. of operating rights and charter of Flambeau as a common carrier of freight by motor vehicle (38 M. C. C. 625).

On November 1, 1943, the complaint was filed, and on December 17, 1943, the Commission's answer was filed.

Watson Bros. Transportation Co., Inc., v. United States, district of Nebraska, Omaha division.

Suit to set aside or suspend in part Commission's order of March 13, 1943, whereby the Commission, subject to the terms and conditions set out in the findings in its report, approved a lease agreement whereby Watson Bros. Co. was leased and granted options to buy certain trucking lines by Harry Jaffa, the former operator of said lines.

On December 11, 1943, the petition was filed, and on February 12, 1944, the Commission's answer was filed.

Rockland Coaches, Inc., Spring Valley Motor Coach Co. v. United States, southern district of New York.

Suit to set aside Commission's order of April 27, 1943, in Docket No. MC-29783, *Rockland Bus Lines Common Carrier Application*, insofar as it authorized the Rockland Bus Lines, Inc. to serve intermediate points between Haverstraw, N. Y., and New York, N. Y.

On January 3, 1944, the complaint was filed, and on February 26, 1944, the Commission's answer was filed.

Portland Tug & Barge Co. v. United States, district of Oregon.

For case history see page 114, this volume.

Pasquale DeCola v. United States, district of Connecticut.

Suit to set aside rule 1.21(a) of Commission's Motor Carrier Safety Regulations (Revised), prohibiting any motor carrier engaged in interstate commerce from permitting anyone with but one leg to drive a motor vehicle, on the ground that plaintiff, an operator with but one leg, was deprived of an opportunity to earn a livelihood in his usual occupation, and that the State of Connecticut has found plaintiff well qualified to drive vehicles without danger to the public, consequently, it is alleged, the Commission's action is in violation of the tenth amendment to the Constitution of the United States.

On February 15, 1944, the complaint was filed, on February 24, 1944, amended complaint was filed, and on April 17, 1944, the Commission's answer was filed. *Dohrn Transportation Co. v. United States*, southern district of Illinois, northern division.

For case history see page 116, this volume.

Andrew B. Crichton dba Super Service Motor Freight Co. v. United States, southern district of New York.

For case history see page 116, this volume.

Jack Cole Co., Inc., v. United States, northern district of Alabama.

For case history see page 116, this volume.

Pierce Auto Freight Lines, Inc., a Corporation, v. United States, district of Oregon.

For case history see page 117, this volume.

Rochester Transit Corp. v. United States, western district of New York, Rochester division.

Suit to set aside Commission's determination of April 30, 1943, *Subway Division, Rochester Transit Corp., Rochester, N. Y.*, 255 I. C. C. 508, finding the company not to fall within the exemption provisos of sec. 1 (a) of the Railroad Retirement Act, et cetera.

On March 2, 1944, the complaint was filed, and on April 17, 1944, the Commission's intervention and answer were filed.

Capital Transit Co., a Corporation, v. United States, District of Columbia.

For case history see page 115, this volume.

Service Trucking Co., Inc., v. United States, district of Maryland.

Suit to set aside Commission's order of January 27, 1943, denying application for certificate under sec. 206 (a), authorizing operations as a common or contract carrier by motor vehicle of general commodities between points in Maryland, Delaware, and all other Atlantic seaboard States and the District of Columbia, over irregular routes (Docket No. MC-16357, *Service Trucking Co. Inc., Common Carrier Application*).

On March 27, 1944, the complaint was filed, and on September 30, 1944, the complaint was dismissed and Commission's order sustained (56 Fed. Supp. 1003).

Cleveland Union Stock Yards Co. v. United States, northern district of Ohio, eastern division.

Suit to set aside Commission's order of May 11, 1943, in Docket No. 28421, *B. & O. R. Co. v. Cleveland Union Stock Yards Co.*, 255 I. C. C. 579, wherein the Commission found the Stockyards Co. and the Livestock Terminal Assn. to be common carriers by railroad subject to the act, in connection with loading and unloading of carload shipments of livestock transported by railroad in interstate commerce, to and from the public stockyards in Cleveland, Ohio, and wherein the Commission awarded reparation for past unreasonableness on such shipments.

On April 28, 1944, the complaint was filed, and on June 15, 1944, the Commission's answer and motion for judgment on pleadings was filed.

A. Johnston v. United States, western district of Oklahoma.

Suit to set aside Commission's Service Order No. 85, which removed all train-length limitations under State statutes, this action having particular reference to the Oklahoma statute which limits freight trains to 70 cars.

On April 5, 1944, the complaint was filed, and on May 19, 1944, the Commission's answer was filed.

All States Freight, Inc., v. United States, northern district of Ohio, eastern division.

Suit to set aside Commission's order of February 21, 1944, in Docket No. MC-59852, *All States Freight, Inc., Common Carrier Application*, holding plaintiff to be entitled to continue operations over irregular routes only.

On April 20, 1944, the complaint was filed, and on May 20, 1944, the Commission's answer was filed.

Peninsula Corp. of Seaford, Del., v. United States, District of Columbia.

Suit to be set aside Commission's order of November 11, 1943, in Docket No. MC-14449 (Sub-No. 1), *The Peninsula Corp. Common Carrier Application*, wherein the Commission found that applicant had failed to establish a right to a certificate or permit under section 206 (a) or 209 (a) of the act, authorizing operations as a common carrier or contract carrier by motor vehicle, of special commodities from and to certain points in Maryland, Delaware, Pennsylvania, New Jersey, North Carolina, South Carolina, and Georgia, over irregular routes.

On May 2, 1944, the complaint was filed, and on June 19, 1944, the Commission's answer was filed. On October 23, 1944, the cause was submitted to the district court for decision.

Inland Navigation Co. v. United States, eastern district of Washington, southern division.

Suit by competing water carriers to set aside Commission's order of July 23, 1943, in Docket No. W-507, *Tidewater Transportation Co. Common Carrier Application*, authorizing operation as a common carrier by non-self-propelled vessels with the use of separate towing vessels in the transportation of commodities generally, and by towing vessels in the performance of general towage, in interstate or foreign commerce, between ports and points on the Willamette and Columbia Rivers between Portland, Oreg., and Pasco and Kennewick, Wash.

On May 12, 1944, the complaint was filed. Further court action in abeyance pending Commission's decision on reconsideration.

Michigan Tri-State Motor Express, Inc., v. United States, northern district of Illinois.

Suit to set aside Commission's report and order of August 22, 1942, in *Joseph R. Mammina Common Carrier Application*, 34 M. C. C. 836, insofar as it denied to Tri-State Motor Express, Inc., applicant's successor in interest, the right under section 206 (a) to serve the cities of Lansing, Grand Rapids, Holland, Muskegon, Plainwell, and Otsego, Mich., and Aurora and Joliet, Ill.

On June 2, 1944, the complaint was filed, and on September 28, 1944, the case was argued and submitted for decision.

Detroit & Cleveland Navigation Co. v. United States, eastern district of Michigan, Southern division.

For case history see page 117, this volume.

Adirondack Transit Lines, Inc., v. United States, southern district of New York.

Suit to set aside Commission's order of June 6, 1944, in Docket No. MC-C-164, *Manhattan Coach Lines, Inc. v. Adirondack Transit Lines, Inc.*, which requires Adirondack to cease and desist from using the Lincoln Tunnel instead of the Weehawken Ferry in the performance of operations authorized in original proceeding.

On July 27, 1944 the complaint was filed, and on September 12, 1944, the Commission's answer was filed. On October 16, 1944, the Commission's order was sustained.

Deaton Truck Line, Inc., v. United States, northern district of Alabama, southern division.

Suit to enjoin and set aside Commission's order of July 4, 1944, in *Deaton Truck Line, Inc. (Successor in Interest to C. D. Deaton) Common Carrier Application*, insofar as it limits plaintiff's operations under the "grandfather" clause of the motor carrier act to the transportation of certain specified commodities from points within a radius of 10 miles of Birmingham, Ala. (32 M. C. C. 89; 41 M. C. C. 808).

On August 25, 1944, the petition was filed, and on October 13, 1944, the Commission's answer was filed.

Champlin Refining Co. v. United States, western district of Oklahoma.

Suit to set aside Commission's report and order of June 12, 1944, in Valuation Docket No. 1267, *Champlin Refining Company, Valuation of Pipe Line*, holding said company to be a common carrier subject to the provisions of the Interstate Commerce Act.

On August 10, 1944, the petition was filed, and on October 2, 1944, the Commission's answer was filed. On October 12-13, 1944, the case was submitted to the Court for decision.

Liberty Motor Freight Lines, Inc., v. United States, northern district of Illinois.

Suit to enjoin, set aside, annul, and restrain the enforcement of the Commission's order of June 6, 1944, in Docket No. MC-222, *Liberty Motor Freight Lines Common Carrier Application*, wherein the Commission denied plaintiff's application for a certificate under the "grandfather" clause of the Motor Carrier Act, authorizing continuance of its operation as a motor carrier of general commodities, over regular routes, between points in the States named in the application.

On August 17, 1944, the complaint was filed, and on October 2, 1944, the Commission's answer was filed. On October 4, 1944, the case was submitted to the Court for decision.

Watson Bros. Transportation Co., Inc. v. United States, district of Nebraska.

Suit to set aside Commission's order of November 18, 1943, in Docket No. MC-70451, *Watson Bros. Transportation Co. Common Carrier Application*, denying, in part, Watson's "grandfather" application.

On August 22, 1944, the complaint was filed, and on October 2, 1944, the Commission's answer was filed.

El Dorado Oil Works v. United States, northern district of California, southern division.

Suit to set aside Commission's report and order of April 10, 1944, in Docket No. 28515, *Allowances for Privately Owned Tank Cars*, wherein the Commission held that the rental paid by the El Dorado Oil Works to General American Tank Car Corp. under a lease agreement was the only cost incurred by the former in furnishing the tank cars in which its shipments moved; that a just and reasonable allowance by the rail carriers to the Oil Works for furnishing such cars would have been an amount not to exceed such rental, which allowance has been paid; that payment of an allowance to the Oil Works by the rail carriers or the Tank Car Corporation in excess of such rental would be unjust, unreasonable and unduly preferential; that payments by the Tank Car Corp. to the Oil Works prior to July 1, 1934, under the lease agreement, in excess of the rental due, were unjust, unreasonable, and unduly preferential, and that the Oil Works was entitled to no allowance from the rail carriers directly or through the Tank Car Corp. for special cleaning and preparation of the tank cars.

On August 24, 1944, the complaint was filed, and on October 23, 1944, the Commission's intervention and answer were filed.

Ashland Coal & Ice Co., Inc., v. United States, eastern district of Virginia, Richmond division.

Suit to set aside Commission's report and order of December 8, 1943, in Docket No. 27648, *Ashland Coal & Ice Co., Inc., v. Atlantic Coast Line R. Co., et al.*, wherein the Commission found rates on bituminous coal from mines in Virginia, West Virginia, and Kentucky to Richmond, Petersburg, Hopewell, Lynchburg, and other Virginia destinations, over interstate routes, unreasonable for the future but not for the past, and denied reparation.

On August 28, 1944, the complaint was filed, and on October 13, 1944 the Commission's answer was filed.

Inland Motor Freight, a Corporation, v. United States, eastern district of Washington.

Suit, brought by competitors of applicant, to set aside Commission's report and order of June 19, 1943, in Docket No. MC-18209, *John W. Tocco Common Carrier Application*, insofar as it found that public convenience and necessity required operation as a common carrier by motor vehicle between points in Idaho, Oregon, and Washington, over irregular routes.

On August 23, 1944, the complaint was filed, and on October 10, 1944, the Commission's intervention and answer were filed.

Motor Freight Express v. United States, eastern district of Pennsylvania.

Suit to set aside Commission's order in Docket No. 59957 (Sub-No. 14), *Motor Freight Express Extension*, wherein applicant was denied authority to perform collection and delivery service, serving points within 10 miles of Baltimore and within 5 miles of Philadelphia, as intermediate and off-route points in connection with applicant's regular-route operations.

On September 25, 1944, the complaint was filed, and on October 4, 1944, the case was argued and submitted for decision.

McAllister Lighterage Line, Inc., v. United States, southern district of New York.

Suit to set aside Commission's reports and orders of July 28, 1942, and February 7, 1944, in Dockets Nos. W-81, *McAllister Lighterage Line, Inc., Contract Carrier Application*; W-217, *McAllister Bros. Inc., Contract Carrier Application*, 250 I. C. C. 803, denying application under section 309 (a) of part III for a certificate to engage in transportation of general commodities by water as a common carrier for hire, and to render a general towage service for hire over certain specified routes and between certain ports in interstate commerce.

On September 18, 1944, the petition was filed, and on November 8, 1944, the Commission's answer was filed.

Elliott Bros. Trucking Co., Inc. v. United States, district of Maryland.

Suit to set aside Commission's report and order of April 12, 1944, in Docket No. MC-73587, *Elliott Bros. Trucking Company, Inc. Common Carrier Application*, in so far as the Commission denied applicant operating rights under the grandfather clause.

On October 26, 1944, the petition was filed.

APPENDIX C

STATISTICAL SUMMARIES

A. Statistics of railway development since 1933.

B. Statistics from monthly and other periodical reports of carriers.

A. Statistics of Railway Development

Data for years preceding 1933 for most of the tables appear in prior reports.

TABLE I.—*Mileage operated and mileage owned by steam railways in the United States, 1933-43*

Year ended Dec. 31—	Road owned in the United States ¹ (first main track)	Total miles of all tracks operated, excluding trackage rights ²	Mileage operated by classes I, II, and III line-haul railways (including trackage rights)			
			First main track	Second or additional main tracks	Yard track and sidings	All tracks
1933.....	245,703	405,064	256,741	42,397	126,526	425,664
1934.....	243,857	401,620	254,882	42,109	125,410	422,401
1935.....	241,822	398,396	252,930	41,916	124,382	419,228
1936.....	240,104	395,263	251,542	41,731	123,108	416,381
1937.....	238,539	393,030	250,582	41,579	122,411	414,572
1938.....	236,842	389,704	248,474	41,589	121,261	411,324
1939.....	235,064	386,819	246,922	41,445	119,983	408,350
1940.....	233,670	385,178	245,740	41,373	118,862	405,975
1941.....	231,971	382,439	244,263	41,166	118,196	403,625
1942.....	229,174	378,570	241,737	41,137	116,753	399,627
1943.....	227,999	377,631	240,745	41,093	116,892	398,730

¹ Includes mileage of some small companies that do not make annual reports to the Commission.

² Includes mileage of classes I, II, and III line-haul railways and switching and terminal companies.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1933-43* ¹

Year ended Dec. 31—	Locomotives							
	Steam		Electric		Diesel-electric		Other	
	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²
		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>
1933.....	53,302	46,916	789	52,756	85	(³)	52	(³)
1934.....	50,465	47,712	805	52,555	104	(³)	49	(³)
1935.....	48,477	48,367	884	53,688	130	(³)	50	(³)
1936.....	46,923	48,972	858	54,731	175	(³)	53	(³)
1937.....	46,342	49,412	872	54,957	293	(³)	48	(³)
1938.....	45,210	49,503	882	55,402	403	(³)	49	(³)
1939.....	43,604	50,395	879	55,661	639	(³)	50	(³)
1940.....	42,410	50,905	900	56,238	967	55,130	56	22,610
1941.....	41,911	51,217	895	56,301	1,517	54,733	52	22,628
1942.....	41,755	51,811	892	56,591	1,978	54,942	46	22,740
1943.....	41,983	52,451	907	56,896	2,476	55,200	40	19,923

See footnotes at end of table.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1933-43*¹—Continued

Year ended Dec. 31—	Cars					
	Freight cars (excluding caboose)		Passenger train	Coaches		
	Number	Average capacity ²	Number	Number	Average seating capacity ²	Number air-con- ditioned ²
		<i>Tons</i>				
1933.....	2, 072, 632	47. 5	47, 677	22, 218	77	(³)
1934.....	1, 973, 247	48. 0	44, 884	20, 763	78	(³)
1935.....	1, 867, 381	48. 3	42, 426	19, 384	78	(³)
1936.....	1, 790, 043	48. 8	41, 390	18, 893	80	(³)
1937.....	1, 776, 428	49. 2	40, 949	18, 585	78	3, 387
1938.....	1, 731, 096	49. 4	39, 931	18, 124	78	3, 732
1939.....	1, 680, 519	49. 7	38, 977	17, 827	78	4, 106
1940.....	1, 684, 171	50. 0	38, 308	17, 470	77	4, 374
1941.....	1, 732, 673	50. 3	38, 334	17, 490	77	4, 784
1942.....	1, 773, 735	50. 5	38, 446	17, 807	77	5, 166
1943.....	1, 784, 472	50. 7	38, 331	17, 929	77	5, 291

¹ Privately owned cars and cars owned or leased by the Pullman Co. are not included. In 1943, privately owned freight-carrying cars numbered 272,740, and cars owned or leased by the Pullman Co., 7,824.

² Class I steam railways.

³ Not available in these years.

TABLE III.—*Railway capital actually outstanding and net income, 1933-43: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Total rail- way capital	Funded debt unmatured ¹	Preferred stock	Common stock	Ratio of debt to capital	Net income ²	Ratio of net in- come to stock
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>
1933.....	\$22, 656, 920	\$12, 629, 828	\$2, 026, 626	\$8, 000, 466	55. 7	\$26, 543	0. 26
1934.....	22, 412, 057	12, 453, 507	2, 027, 155	7, 931, 395	55. 6	23, 282	. 23
1935.....	22, 079, 551	12, 154, 349	2, 017, 731	7, 907, 471	55. 0	52, 177	. 53
1936.....	21, 961, 035	12, 031, 385	2, 016, 857	7, 912, 793	54. 8	221, 591	2. 23
1937.....	21, 428, 645	11, 881, 981	2, 022, 887	7, 789, 777	54. 8	146, 351	1. 49
1938.....	21, 428, 320	11, 639, 907	2, 022, 436	7, 765, 977	54. 3	87, 468	-----
1939.....	21, 193, 501	11, 419, 945	2, 022, 266	7, 751, 290	53. 9	141, 134	1. 44
1940.....	21, 047, 280	11, 277, 306	2, 036, 121	7, 733, 853	53. 6	243, 148	2. 49
1941.....	20, 707, 778	11, 208, 816	1, 952, 593	7, 546, 369	54. 1	557, 672	5. 87
1942.....	20, 471, 191	10, 970, 648	1, 935, 222	7, 565, 321	53. 6	992, 843	10. 45
1943.....	19, 305, 358	9, 876, 035	1, 912, 119	7, 517, 204	51. 2	946, 150	10. 03

¹ Does not include long-term debt in default. For class I railways and their nonoperating subsidiaries such debt amounted to \$864,278 (thousands) at the close of 1943. Excludes equipment obligations subsequent to 1942.

² Intercorporate duplications not eliminated, but amounts shown correspond with the stock in the second and third preceding columns. Deficits shown in italics.

TABLE IV.—*Dividends, 1933-43: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Proportion of stock paying dividends ¹	Amount of dividends ¹	Average rate on—		Dividends declared ¹	
			Dividend- paying stock ¹	All stock	On preferred stock	On common stock
	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>	<i>Percent</i>		
1933.....	31. 11	\$158, 790	5. 09	1. 58	\$17, 655, 596	\$78, 070, 187
1934.....	34. 26	211, 767	6. 21	2. 13	18, 389, 133	115, 029, 763
1935.....	34. 39	202, 568	5. 94	2. 04	17, 956, 113	108, 326, 193
1936.....	36. 20	231, 733	6. 45	2. 33	27, 559, 427	142, 269, 863
1937.....	39. 64	227, 596	5. 85	2. 32	27, 488, 440	140, 413, 594
1938.....	32. 07	136, 270	4. 34	1. 39	13, 643, 634	69, 088, 932
1939.....	32. 64	179, 412	5. 62	1. 84	19, 154, 336	106, 799, 624
1940.....	38. 29	216, 522	5. 79	2. 22	23, 540, 218	135, 774, 682
1941.....	40. 65	239, 438	6. 20	2. 52	27, 445, 002	158, 400, 721
1942.....	56. 37	254, 088	4. 74	2. 67	34, 422, 097	167, 848, 035
1943.....	57. 97	263, 919	4. 83	2. 83	37, 046, 973	179, 496, 716

¹ Includes figures for lessors and operating railways without excluding duplications on account of intercorporate payments. Stock dividends for the last 11 years have been as follows: \$15,436,348 in 1936 and \$705,000 in 1943.

² By class I line-haul railways.

TABLE V.—*Reported property investment and selected income items, 1933–43: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Investment ¹	Investment per mile of road	Deprecia- tion re- serve	Net railway operating income ²	Other in- come ³	Fixed charges and other deductions ⁴	Net income
	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
1933.....	\$ 25,901,962	\$106,437	\$2,707,942	\$477,326	\$213,592	\$703,745	\$26,543
1934.....	\$ 25,681,608	106,279	2,764,726	465,896	203,941	694,360	23,282
1935.....	\$ 25,500,465	106,339	2,771,404	505,415	186,228	686,688	52,177
1936.....	\$ 25,432,388	106,783	2,809,063	675,600	182,821	693,479	221,591
1937.....	\$ 25,636,082	108,235	2,950,848	597,841	170,337	670,291	146,351
1938.....	\$ 25,595,739	108,871	3,044,972	376,865	150,566	654,023	87,468
1939.....	\$ 25,538,157	109,331	3,102,779	595,961	156,050	658,505	141,134
1940.....	\$ 25,646,014	110,449	3,095,237	690,554	163,385	662,848	243,148
1941.....	\$ 25,668,984	111,352	\$ 3,240,145	1,009,592	169,519	674,455	557,672
1942.....	\$ 25,838,351	113,364	\$ 3,561,570	1,499,364	175,296	764,055	992,843
1943.....	\$ 26,145,458	115,288	\$ 3,939,562	1,370,569	194,440	686,576	946,150

¹ Includes investment of operating, lessor, and proprietary companies. Proprietary companies do not render annual reports to the Commission but information concerning them is given in reports of the operating companies.

² This term, as defined in the Interstate Commerce Act, means "railway operating income, including in the computation thereof debits and credits arising from equipment rents and joint facility rents."

³ Includes amounts received as interest or dividends on railroad securities owned by reporting carriers. See Statistics of Railways, table 109. Figures represent classes I, II and III line-haul railways.

⁴ The interest included represents accruals, not payments. In 1943, the interest accrued on unmatured funded debt and long-term debt in default in excess of payments was \$86,571,860 for class I steam railways. Figures represent classes I, II and III line-haul railways.

⁵ Includes investment of lessor and proprietary companies, as follows, but excludes investment of proprietary companies in systems which file consolidated annual reports combining the mileage, investment, and other items on a net system basis.

Year	Lessor companies	Proprietary companies	Year	Lessor companies	Proprietary companies
	<i>Thousands</i>	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>
1933.....	\$4,577,564	\$1,096,264	1939.....	\$4,104,416	\$853,848
1934.....	4,306,287	890,581	1940.....	4,093,043	809,391
1935.....	4,302,199	861,716	1941.....	4,000,275	818,060
1936.....	4,690,072	861,696	1942.....	3,933,048	803,280
1937.....	4,174,633	848,173	1943.....	3,885,103	858,312
1938.....	4,105,320	840,033			

⁶ Includes amortization of defense projects.

TABLE VI.—*Operating revenues, operating expenses, and taxes, class I line-haul railways, 1933–43*

Year ended Dec. 31—	Operating revenues	Freight revenues	Passenger revenues	Operating expenses	Railway tax accruals ¹			Ratio of total operating expenses to total operating revenues
					U. S. Gov- ernment taxes	Other than U. S. Gov- ernment taxes	Total	
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>
1933.....	\$3,095,404	\$2,488,848	\$328,957	\$2,249,232	\$21,070	\$230,687	\$251,757	72.66
1934.....	3,271,567	2,629,302	345,890	2,441,823	21,646	220,167	241,813	74.64
1935.....	3,451,929	2,786,118	357,493	2,592,741	26,795	212,646	239,441	75.11
1936.....	4,052,734	3,302,894	412,144	2,931,425	94,008	228,384	322,392	72.33
1937.....	4,166,069	3,370,959	442,518	3,119,065	75,992	253,409	329,401	74.87
1938.....	3,565,491	2,852,112	405,598	2,722,199	77,423	265,771	343,194	76.35
1939.....	3,995,004	3,244,445	416,531	2,918,210	121,082	237,363	358,445	73.05
1940.....	4,296,601	3,528,782	416,897	3,089,417	183,546	215,179	398,725	71.90
1941.....	5,346,700	4,443,405	514,633	3,664,232	331,047	224,282	555,329	68.53
1942.....	7,465,823	5,944,344	1,028,186	4,601,083	955,352	248,404	1,203,756	61.63
1943.....	9,054,724	6,782,470	1,652,868	5,657,461	1,583,256	270,880	1,854,136	62.48

¹ Includes lessor companies.

TABLE VII.—*Number and compensation of employees, class I line-haul railways, 1933-43*

Year ended Dec. 31—	Average number of employees during year ¹	Total hours paid for	Compensation of railway employees ²			
			Total	Average per hour	Ratio to revenues	Ratio to expenses
		<i>Thousands</i>	<i>Thousands</i>		<i>Percent</i>	<i>Percent</i>
1933.....	971, 196	2, 233, 045	\$1, 403, 841	\$0. 629	45. 35	62. 41
1934.....	1, 007, 702	2, 393, 899	1, 519, 352	. 635	46. 44	62. 22
1935.....	994, 371	2, 397, 353	1, 643, 879	. 686	47. 62	63. 40
1936.....	1, 065, 624	2, 675, 345	1, 848, 636	. 691	45. 61	63. 06
1937.....	1, 114, 663	2, 799, 539	1, 985, 447	. 709	47. 66	63. 66
1938.....	939, 171	2, 329, 606	1, 746, 141	. 750	48. 97	64. 14
1939.....	987, 675	2, 488, 635	1, 863, 334	. 749	46. 64	63. 85
1940.....	1, 026, 848	2, 615, 905	1, 964, 125	. 751	45. 71	63. 58
1941.....	1, 139, 925	2, 989, 788	2, 331, 650	. 780	43. 61	63. 63
1942.....	1, 270, 687	3, 440, 957	2, 932, 070	. 852	39. 27	63. 73
1943.....	1, 355, 114	3, 603, 730	3, 520, 926	. 977	38. 88	62. 24

¹ This is the average of 12 counts made at middle of month and differs from the number of persons receiving pay during the month or year regardless of whether for a long or short period.

² In 1943, \$3,340,408 (thousands) or 94.87 percent of the reported compensation, was chargeable to operating expenses.

TABLE VIII.—*Freight transportation service performed by line-haul railways, 1933-43*

Year ended Dec. 31—	Revenue tons originated	Revenue tons carried 1 mile	Loaded-car miles	Average haul		Average amount received for each ton originated	Revenue per ton-mile
				United States as a system	For the individual road		
	<i>Thousands</i>	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>	<i>Miles</i>		<i>Cents</i>
1933.....	733, 391	250, 651	10, 776	341. 77	189. 53	\$3. 448	1. 009
1934.....	802, 276	270, 292	11, 657	336. 91	187. 65	3. 330	. 989
1935.....	831, 656	283, 637	12, 076	341. 05	188. 77	3. 404	. 998
1936.....	1, 011, 530	241, 182	14, 031	337. 29	188. 94	3. 318	. 984
1937.....	1, 075, 237	362, 815	14, 702	337. 43	188. 14	3. 189	. 945
1938.....	819, 733	291, 866	12, 266	356. 05	196. 87	3. 539	. 994
1939.....	954, 924	335, 375	13, 639	351. 21	193. 91	3. 453	. 983
1940.....	1, 069, 045	375, 369	14, 777	351. 13	192. 75	3. 353	. 955
1941.....	1, 295, 860	477, 576	18, 172	368. 54	198. 59	3. 480	. 944
1942.....	1, 498, 477	640, 992	21, 536	427. 76	217. 55	4. 022	. 940
1943.....	1, 556, 558	730, 132	23, 284	469. 07	231. 23	4. 411	. 940

TABLE IX.—*Carload, trainload, and density of traffic, class I line-haul railways, 1933-43*

Year ended Dec. 31—	Ton-miles revenue and nonrevenue freight per loaded freight-car mile	Revenue ton-miles per train-mile	Passenger-miles per car-mile	Passenger-miles per train-mile	Revenue ton-miles per mile of road	Passenger-miles per mile of road
1933.....	25. 44	635	10	43	1, 035, 707	68, 100
1934.....	25. 48	639	11	47	1, 124, 542	75, 730
1935.....	25. 79	662	11	48	1, 185, 368	78, 116
1936.....	26. 77	703	13	55	1, 432, 154	95, 232
1937.....	27. 07	724	13	59	1, 530, 667	105, 377
1938.....	26. 04	691	12	55	1, 235, 843	93, 544
1939.....	26. 86	743	13	58	1, 427, 115	98, 559
1940.....	27. 59	781	13	61	1, 602, 009	103, 621
1941.....	28. 41	845	15	73	2, 044, 237	128, 413
1942.....	31. 78	968	22	125	2, 760, 479	236, 400
1943.....	33. 29	1, 050	31	190	3, 168, 749	389, 839

TABLE X.—*Passenger transportation service performed by line-haul railways, 1933-43*

Year ended Dec. 31—	Passen- gers carried	Passen- ger-miles	Average journey per pas- senger ¹	Average receipts per pas- senger	Revenue per passen- ger-mile
	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>		<i>Cents</i>
1933	435	16,368	37.64	\$0.758	2.015
1934	452	18,069	39.96	.767	1.920
1935	448	18,509	41.31	.800	1.936
1936	492	22,460	45.60	.839	1.840
1937	500	24,695	49.42	.888	1.796
1938	455	21,657	47.65	.894	1.877
1939	454	22,713	50.02	.920	1.839
1940	456	23,816	52.22	.916	1.755
1941	489	29,406	60.18	1.056	1.754
1942	672	53,747	79.93	1.533	1.917
1943	888	87,925	99.05	1.865	1.883

¹ This average is affected by the changing ratio of commutation traffic to the total traffic.

TABLE XI.—*Fuel consumed by steam locomotives, and rails and ties laid, class I line-haul railways, 1933-43*

Year ended Dec. 31—	Bitumi- nous coal	Anthra- cite coal	Fuel oil		Total fuel ¹	Rails ap- plied in replace- ment and better- ment (all tracks)	Ties laid in previously constructed tracks	
							Cross ties	Switch and bridge ties
	<i>Net tons</i>	<i>Net tons</i>	<i>Thousands of gallons</i>	<i>Equivalent tons</i>	<i>Net tons</i>	<i>Long tons</i>	<i>Number</i>	<i>Feet (b. m.)</i>
1933	66,198,465	477,574	1,709,032	10,668,937	77,384,143	862,298	37,295,716	134,148,930
1934	70,495,547	608,079	1,868,381	11,667,945	82,810,885	1,165,304	43,306,205	155,248,532
1935	71,334,736	508,229	1,998,176	12,920,919	84,782,729	1,159,039	44,326,151	156,535,925
1936	81,129,740	484,537	2,353,484	15,106,820	96,755,785	1,701,350	47,361,015	167,377,828
1937	82,666,673	473,286	2,581,441	16,561,713	99,732,944	1,974,597	47,729,538	159,429,849
1938	68,793,756	432,683	2,240,299	14,402,304	83,664,267	1,202,943	41,363,224	141,887,780
1939	73,935,025	719,200	2,334,571	15,020,974	89,718,757	1,719,306	45,088,278	147,044,571
1940	79,628,318	285,653	2,502,868	16,118,796	96,066,679	1,911,513	43,620,653	145,553,116
1941	91,655,061	432,080	3,025,461	19,497,035	111,616,334	2,228,822	47,224,593	144,599,723
1942	109,618,324	263,371	3,905,096	25,128,332	135,037,207	2,250,280	48,616,228	136,944,189
1943	122,593,389	280,958	4,433,419	28,511,597	151,411,739	2,409,989	45,439,512	124,097,473

¹ In the statement of consumption of fuel by locomotives, 1 cord of hardwood is considered as equivalent to $\frac{3}{8}$ of a ton of fuel and 1 cord of softwood as equivalent to $\frac{1}{2}$ of a ton of fuel. The ratio used in reducing fuel oil to tons of fuel is left to the experience of each road. Figures include data for cordwood, also a small amount of miscellaneous fuel. Does not include equivalent tons for fuel consumed by motive power units, other than steam locomotives, which in 1943 amounted to 8,304,288 tons.

TABLE XII.—*Selected data from annual reports of class I line-haul railways, 1943 and 1942, by districts*

Item	All districts		Eastern district	
	Year ended Dec. 31—			
	1943	1942	1943	1942
Railway operating revenues (thousands).....	\$9,054,724	\$7,465,823	\$3,548,755	\$3,062,743
Railway operating expenses:				
Total (thousands).....	\$5,657,461	\$4,601,083	\$2,386,194	\$2,004,286
Maintenance of way and structures (thousands).....	\$1,108,281	\$796,358	\$421,655	\$318,396
Maintenance of equipment (thousands).....	\$1,440,341	\$1,211,037	\$606,788	\$535,829
Transportation—rail line (thousands).....	\$2,686,052	\$2,241,807	\$1,197,568	\$1,013,797
Net railway operating income (thousands).....	\$1,359,768	\$1,484,519	\$484,099	\$536,732
Freight-service statistics:				
Freight revenue (thousands).....	\$6,782,470	\$5,944,344	\$2,639,352	\$2,390,017
Revenue tons originated (thousands).....	1,481,225	1,421,187	592,145	563,566
Total revenue tons carried (thousands).....	3,008,045	2,796,920	1,471,618	1,375,979
Revenue tons carried 1 mile (thousands).....	727,075,495	637,983,503	280,477,206	252,050,867
Revenue per ton-mile (cents).....	0.933	0.932	0.941	0.948
Revenue ton-miles per mile of road.....	3,168,749	2,760,479	4,973,466	4,425,172
Freight train-miles (thousands).....	701,212	666,437	240,118	230,188
Revenue ton-miles per train-mile.....	1,050	968	1,188	1,111
Loaded car-miles (thousands).....	23,193,928	21,442,458	8,541,913	8,006,113
Empty car-miles (thousands).....	12,896,669	12,693,049	5,053,625	4,931,895
Ton-miles revenue and nonrevenue freight per loaded car-mile.....	33.29	31.78	34.40	33.11
Average haul per road (miles).....	241.71	228.10	190.59	183.18
Passenger-service statistics:				
Passenger revenue (thousands).....	\$1,652,868	\$1,028,186	\$664,953	\$467,757
Passengers carried (thousands).....	881,965	667,287	596,135	467,269
Passenger-miles (thousands).....	87,819,503	53,658,615	34,276,216	28,340,872
Revenue per passenger-mile (cents).....	1.88	1.92	1.94	2.00
Passenger-miles per mile of road.....	389,839	236,400	636,158	428,706
Average journey per passenger (miles).....	99.57	80.41	57.50	49.95
Passenger-miles per train-mile.....	190	125	183	133

Item	Southern district		Western district	
	Year ended Dec. 31—			
	1943	1942	1943	1942
Railway operating revenues (thousands).....	\$1,717,142	\$1,428,975	\$3,788,827	\$2,974,105
Railway operating expenses:				
Total (thousands).....	\$983,591	\$819,631	\$2,287,676	\$1,777,166
Maintenance of way and structures (thousands).....	\$185,641	\$140,239	\$500,985	\$337,723
Maintenance of equipment (thousands).....	\$267,908	\$232,972	\$565,645	\$442,236
Transportation—rail line (thousands).....	\$451,405	\$380,728	\$1,037,079	\$847,282
Net railway operating income (thousands).....	\$273,012	\$292,566	\$602,657	\$655,221
Freight-service statistics:				
Freight revenue (thousands).....	\$1,289,058	\$1,155,961	\$2,854,060	\$2,398,366
Revenue tons originated (thousands).....	358,953	352,968	530,127	504,653
Total revenue tons carried (thousands).....	622,289	586,007	914,138	834,934
Revenue tons carried 1 mile (thousands).....	151,154,767	136,346,089	295,443,522	249,586,553
Revenue per ton-mile (cents).....	0.853	0.848	0.966	0.961
Revenue ton-miles per mile of road.....	3,480,423	3,116,553	2,280,246	1,914,807
Freight train-miles (thousands).....	147,552	142,087	313,542	294,162
Revenue ton-miles per train-mile.....	1,037	970	951	855
Loaded car-miles (thousands).....	4,403,451	4,143,542	10,248,564	9,292,803
Empty car-miles (thousands).....	2,620,712	2,627,371	5,222,332	5,133,783
Ton-miles revenue and nonrevenue freight per loaded car-mile.....	36.35	34.95	31.05	29.23
Average haul per road (miles).....	242.90	232.67	323.19	298.93
Passenger-service statistics:				
Passenger revenue (thousands).....	\$336,785	\$200,814	\$651,130	\$359,615
Passengers carried (thousands).....	130,663	91,428	155,167	108,590
Passenger-miles (thousands).....	16,955,226	10,331,505	36,588,061	19,986,238
Revenue per passenger-mile (cents).....	1.99	1.94	1.78	1.80
Passenger-miles per mile of road.....	390,404	236,154	285,931	155,187
Average journey per passenger (miles).....	129.76	113.00	235.80	184.05
Passenger-miles per train mile.....	201	135	190	114

B. Statistics From Monthly and Other Periodical Reports of Carriers

TABLE A.—*Analysis of operating revenues, expenses, and income, class I steam railways, excluding switching and terminal companies, 1943-44*

Item	9 months, January to September, inclusive		Calendar year
	1944	1943	1943
Operating revenues:			
Freight.....	\$5,245,353,840	\$5,049,643,265	\$6,782,463,421
Passenger.....	1,357,236,119	1,214,502,977	1,652,867,958
Mail.....	91,715,139	88,457,092	125,050,636
Express.....	106,658,663	93,526,441	127,816,692
All other.....	279,558,413	268,009,764	366,525,672
Total.....	7,080,522,174	6,714,139,539	9,054,724,379
Percent of total:			
Freight.....	74.08	75.21	74.91
Passenger.....	19.17	18.09	18.25
Mail.....	1.29	1.32	1.38
Express.....	1.51	1.39	1.41
All other.....	3.95	3.99	4.05
Operating expenses:			
Maintenance of way and structures.....	939,320,898	774,782,989	1,108,257,839
Maintenance of equipment.....	1,185,025,569	1,029,401,053	1,440,293,935
Traffic.....	100,576,363	93,781,120	129,312,647
Transportation.....	2,198,998,152	1,935,606,749	2,686,090,572
General.....	149,701,427	131,852,638	186,692,962
All other.....	88,965,093	76,826,974	106,768,512
Total.....	4,662,587,502	4,042,251,523	5,657,416,467
Percent of total:			
Maintenance of way and structures.....	20.14	19.17	19.59
Maintenance of equipment.....	25.42	25.47	25.46
Traffic.....	2.16	2.32	2.28
Transportation.....	47.16	47.88	47.48
General.....	3.21	3.26	3.30
All other.....	1.91	1.90	1.89
Railway tax accruals.....	1,419,213,781	1,445,072,858	1,849,019,906
Equipment rents—debit.....	116,128,584	113,601,944	148,326,488
Joint facility rents—debit.....	34,707,783	30,657,075	39,985,011
Net railway operating income.....	847,884,524	1,082,556,139	1,359,976,507
Other income.....	134,254,720	125,330,242	201,322,897
Interest rents, and other deductions.....	479,208,276	499,630,483	687,311,254
Net income.....	502,930,968	708,255,898	873,988,150

TABLE B.—*Selected operating averages in freight and passenger service of class I steam railways in the United States, 1943-44*

Item	8 months, January to August, inclusive		Calendar year
	1944	1943	1943
Average miles of road operated, freight service.....	227,387	227,808	227,932
Average miles of road operated, passenger service.....	161,956	162,300	162,475
Net ton-miles per mile of road per day.....	9,526	9,207	9,285
Percent of freight locomotives unserviceable.....	12.3	11.8	11.9
Percent of freight cars unserviceable.....	2.5	2.4	2.4
Percent of loaded of total car-miles.....	65.3	63.6	64.2
Percent east-bound or north-bound of loaded car-miles.....	58.6	58.7	58.6
Car-miles per car-day.....	49.8	48.3	48.5
Net ton-miles per car-day.....	1,068	1,029	1,040
Net ton-miles per loaded car-mile.....	32.9	33.5	33.4
Car-miles per train-mile.....	53.0	51.9	52.1
Gross ton-miles per train-mile (excluding locomotives and tenders).....	2,409	2,348	2,362
Net ton-miles per train-mile (including nonrevenue tons).....	1,139	1,106	1,116
Average miles per hour, trains in freight service.....	15.7	15.4	15.4
Pounds of coal per 1,000 gross ton-miles (including locomotives and tenders).....	118	116	117
Average cost of coal per ton (including freight charges).....	\$3.34	\$3.02	\$3.06
Revenue per ton-mile.....	\$0.00939	\$0.00935	\$0.00933
Average haul per revenue ton per railroad.....	243.3	239.6	239.8
Number of freight-train miles.....	470,448,851	467,104,016	701,521,269
Number of passenger-train miles.....	315,634,715	305,876,537	463,483,995
Number of passenger-train car-miles.....	3,042,657,457	2,833,775,220	4,334,861,228
Passenger-train cars per train.....	9.64	9.26	9.35
Revenue per passenger per mile:			
Including commutation passengers.....	\$0.0187	\$0.0189	\$0.0188
Excluding commutation passengers.....	\$0.0192	\$0.0194	\$0.0193

TABLE C.—*Average number of employees and total compensation, by groups of employees, class I steam railways, excluding switching and terminal companies, 1943-44*

Groups of employees	Calendar year 1943		8 months, January to August, inclusive	
	Average number of employees middle of month	Total compensation	Average number of employees middle of month	
			1944	1943
I. Executives, officials, and staff assistants.....	13,998	\$85,645,195	14,538	13,868
II. Professional, clerical and general.....	218,956	533,975,741	228,766	216,663
III. Maintenance of way and structures.....	274,104	548,262,228	295,948	276,760
IV. Maintenance of equipment and stores.....	372,619	951,318,069	390,220	371,317
V. Transportation (other than train, engine, and yard).....	160,182	364,976,612	166,960	158,200
VI (a). Transportation (yardmasters, switch tenders, and hostlers).....	17,131	55,091,556	17,999	16,985
VI (b). Transportation (train and engine service).....	298,124	981,657,021	300,594	297,519
All employees.....	1,355,114	3,520,926,422	1,415,025	1,351,312

TABLE D.—*Carloads and tons of revenue freight originated and freight revenue, by commodities, calendar year 1943, class I steam railways*

Commodity groups	Number of carloads	Number of tons (2,000 pounds)	Freight revenue
Products of agriculture:			
Wheat.....	818, 184	40, 935, 225	\$183, 758, 538
Corn.....	359, 356	17, 337, 729	70, 247, 883
Flour, wheat.....	294, 516	10, 493, 897	51, 028, 758
Mill products, n. o. s.....	483, 424	15, 431, 546	50, 046, 880
Cotton in bales.....	217, 995	4, 053, 359	37, 727, 994
Oranges and grapefruit.....	150, 863	3, 513, 442	70, 073, 658
Potatoes, other than sweet.....	260, 657	5, 233, 609	58, 087, 505
Vegetables, fresh, n. o. s.....	170, 591	2, 226, 577	58, 419, 810
All other.....	1, 608, 450	49, 745, 526	323, 373, 771
Total.....	4, 364, 036	148, 970, 910	902, 764, 797
Animals and products:			
Livestock ¹	807, 146	9, 378, 895	79, 037, 874
Fresh meats, n. o. s.....	273, 056	4, 184, 941	66, 552, 371
Meats, cured, dried, and smoked.....	81, 332	2, 172, 884	28, 589, 127
Packaginghouse products (edible), n. o. s. ²	49, 212	1, 156, 696	15, 752, 380
Butter.....	25, 968	491, 946	9, 348, 923
Hides, green.....	28, 274	813, 089	9, 292, 291
All other.....	222, 982	4, 737, 489	63, 220, 434
Total.....	1, 487, 970	22, 935, 940	271, 793, 400
Products of mines:			
Anthracite coal.....	1, 274, 624	71, 875, 455	119, 498, 757
Bituminous coal.....	6, 966, 485	394, 052, 144	906, 559, 838
Coke.....	645, 109	23, 335, 909	48, 423, 177
Iron ore.....	1, 714, 302	104, 142, 163	134, 405, 805
Gravel and sand (other than glass or molding).....	998, 017	57, 761, 152	48, 999, 468
Stone, broken, ground, or crushed.....	554, 079	31, 650, 875	30, 072, 369
All other.....	2, 300, 665	108, 567, 662	388, 963, 999
Total ³.....	14, 453, 281	791, 385, 360	1, 676, 923, 413
Products of forests:			
Logs.....	502, 952	18, 591, 173	13, 514, 389
Posts, poles, and piling.....	76, 811	2, 319, 406	12, 180, 297
Pulpwood.....	416, 492	16, 300, 570	20, 186, 535
Lumber, shingles, and lath.....	933, 254	31, 549, 932	251, 762, 442
All other.....	404, 591	11, 832, 188	62, 197, 495
Total ³.....	2, 334, 100	80, 593, 269	359, 841, 158
Manufactures and miscellaneous:			
Petroleum oils, refined, and all other gasoline.....	898, 324	25, 605, 093	231, 248, 599
Fuel, road, and petroleum residual oils, n. o. s.....	698, 400	23, 188, 141	186, 079, 718
Sugar (beet and cane).....	152, 263	6, 621, 838	46, 643, 729
Iron and steel pipe and fittings, n. o. s.....	184, 405	6, 223, 478	72, 029, 094
Iron and steel rated 5th class, n. o. s.; also tin and terne plate.....	1, 101, 071	47, 033, 630	380, 849, 641
Cement, natural and Portland (building).....	401, 948	19, 291, 563	58, 739, 079
Automobiles (passenger).....	40, 907	325, 071	14, 353, 793
Automobiles and autotrucks, K. D. and parts, n. o. s.....	206, 300	4, 583, 310	63, 889, 281
Beverages.....	201, 005	5, 752, 895	60, 001, 802
Fertilizers, n. o. s.....	383, 887	16, 227, 042	62, 184, 569
Canned food products, n. o. s.....	336, 335	11, 319, 507	111, 603, 344
Scrap iron and steel.....	403, 154	17, 228, 563	46, 261, 804
All other.....	7, 398, 896	206, 620, 829	1, 844, 982, 655
Total ³.....	12, 406, 895	390, 020, 960	3, 178, 867, 108
Grand total, carload traffic.....	35, 657, 030	1, 462, 314, 059	6, 748, 420, 895
All l. c. l. freight.....		18, 910, 613	359, 134, 466
Grand total, carload and l. c. l. traffic.....		1, 481, 224, 672	7, 107, 555, 361

¹ Horses, mules, ponies, asses, cattle and calves, sheep, goats, and hogs.² Not including canned meats.³ Excludes data concerning certain critical and strategic materials which carriers have been directed to exclude from the statistics of commodities; however, data are included in the grand totals.

TABLE E.—*Summary of casualties to persons on steam railways in the United States for the years ended Dec. 31, 1943, 1942, 1941, 1940, and 1939*

Class of persons	Number of persons									
	Killed					Injured				
	1943	1942	1941	1940	1939	1943	1942	1941	1940	1939
1. Trespassers.....	1, 667	1, 925	2, 104	1, 977	2, 234	1, 126	1, 348	1, 572	1, 765	1, 943
2. Employees:										
Trainmen on duty.....	505	534	454	306	254	18, 975	14, 323	9, 943	7, 036	6, 125
Other employees.....	376	312	208	169	146	3, 098	2, 112	1, 253	920	863
Total employees.....	881	846	662	475	400	22, 073	16, 435	11, 196	7, 956	6, 988
3. Passengers on trains.....	253	91	34	75	27	5, 031	3, 395	2, 916	2, 530	2, 503
4. Travelers not on trains.....	9	19	5	5	11	113	97	81	60	67
5. Persons carried under contract.....	11	16	8	4	4	411	312	271	188	262
6. Other nontrespassers.....	1, 861	2, 106	2, 070	1, 908	1, 480	4, 814	5, 240	5, 395	5, 059	4, 247
Total, train and train-service acci-										
dents (1 to 6).....	4, 682	5, 003	4, 883	4, 444	4, 156	33, 568	26, 827	21, 431	17, 558	16, 010
7. Casualties in nontrain accidents.....	260	230	203	168	206	26, 749	21, 281	16, 380	12, 032	12, 109
Total, 1 to 7.....	4, 942	5, 233	5, 086	4, 612	4, 362	60, 317	48, 108	37, 811	29, 590	28, 119
8. Casualties at grade crossings ¹	1, 732	1, 970	1, 931	1, 808	1, 398	4, 217	4, 616	4, 885	4, 632	3, 999
9. Casualties excluded from all totals ² ..	109	104	105	128	130	31	15	18	16	25

¹ Included in total for items 1 to 6, and distributed under various heads, chiefly item 6.² Figures relate to suicides, persons mentally deranged, and persons attempting to escape custody.

TABLE F.—Revenues, expenses, and income of class I motor carriers¹ of property for the calendar year 1943 compared with those of the same carriers for 1942²

Item	Total carriers reported	
	1943	1942 ³
<i>Intercity carriers</i>		
Number of carriers represented.....	1, 109	1, 109
Revenues:		
Freight revenue.....	\$646, 306, 560	\$600, 973, 072
Other operating revenue.....	3, 272, 902	3, 615, 282
Total operating revenues.....	649, 579, 462	604, 588, 354
Expenses:		
Equipment maintenance and garage expense.....	97, 995, 467	69, 593, 777
Transportation expense.....	165, 247, 645	193, 548, 712
Terminal expense.....	121, 087, 090	110, 786, 216
Sales, tariff, and advertising expense.....	17, 449, 743	19, 055, 779
Insurance and safety expense.....	35, 777, 226	31, 209, 187
Administrative and general expense.....	61, 453, 098	55, 981, 673
Total operation and maintenance expenses.....	499, 010, 269	480, 175, 344
Depreciation expense.....	22, 900, 488	23, 382, 747
Amortization chargeable to operations.....	144, 468	113, 052
Operating taxes and licenses.....	43, 765, 168	41, 140, 691
Operating rents—net.....	61, 416, 429	25, 689, 388
Total expenses.....	627, 236, 822	570, 501, 222
Operating ratio (percent).....	96. 6	94. 4
Net operating revenue.....	\$22, 342, 640	\$34, 087, 132
Other income.....	3, 553, 277	3, 238, 736
Other deductions.....	4, 489, 036	4, 609, 427
Net income before income taxes.....	21, 406, 881	32, 716, 441
Net income after income taxes.....	10, 804, 785	19, 935, 612
<i>Local carriers</i>		
Number of carriers represented.....	278	278
Total operating revenues.....	\$117, 000, 970	\$107, 986, 887
Total expenses.....	\$109, 914, 712	\$100, 344, 556
Operating ratio (percent).....	93. 9	92. 9
Net operating revenue.....	\$7, 086, 258	\$7, 642, 331
Other income.....	\$8, 642, 866	\$6, 610, 178
Other deductions.....	\$3, 119, 756	\$2, 835, 776
Net income before income taxes.....	\$12, 609, 368	\$11, 416, 733
Net income after income taxes.....	\$6, 047, 266	\$6, 646, 925

¹ Class I motor carriers are those having average gross operating revenues of \$100,000 or over annually, the total annual revenues of which are about half of the grand total for all motor carriers whose rates and services are subject to the jurisdiction of the Interstate Commerce Commission.

² This table does not include the reports of 121 carriers that failed to furnish comparable figures for 1942. The total figures for these 121 carriers amounted to the following for the year 1943: Operating revenues, \$26,465,968; operation and maintenance expenses, \$20,366,087; other expenses, \$4,741,027; total expenses, \$25,107,114; net operating revenue, \$1,358,854; net income before income taxes, \$1,706,236; net income after income taxes, \$1,187,830.

³ The 1942 figures differ from those shown in last year's report because of the inclusion of additional carriers in the comparison of 1942 with 1943.

TABLE G.—Revenues, expenses, and income of class I motor carriers ¹ of passengers for the calendar year 1943 compared with those of the same carriers for 1942

Item	Total carriers reported	
	1943	1942
<i>Intercity carriers</i>		
Number of carriers represented.....	179	179
Operating revenues:		
Passenger revenue.....	\$372, 444, 766	\$274, 521, 637
Special bus revenue.....	5, 621, 072	5, 534, 359
Baggage revenue.....	51, 762	50, 021
Mail revenue.....	491, 604	463, 718
Express revenue.....	1, 873, 129	1, 925, 966
Newspaper revenue.....	692, 330	753, 535
Miscellaneous station revenue.....	3, 841, 770	2, 475, 608
Other operating revenue.....	1, 032, 069	963, 786
Total operating revenues.....	386, 048, 502	286, 688, 630
Operating expenses:		
Equipment maintenance and garage expense.....	47, 317, 192	35, 057, 306
Transportation expense.....	75, 281, 228	57, 110, 843
Station expense.....	29, 449, 968	21, 786, 494
Traffic, solicitation, and advertising expense.....	7, 361, 270	6, 375, 945
Insurance and safety expense.....	11, 187, 560	8, 703, 269
Administrative and general expense.....	19, 437, 820	15, 699, 443
Total operation and maintenance expenses.....	190, 035, 038	144, 733, 300
Depreciation expense.....	18, 133, 220	16, 995, 567
Amortization chargeable to operation.....	81, 370	74, 928
Operating taxes and licenses.....	26, 609, 961	21, 511, 773
Operating rents—net.....	6, 500, 554	5, 464, 366
Total expenses.....	241, 360, 143	188, 779, 934
Operating ratio (percent).....	62. 5	65. 8
Net operating revenue.....	\$144, 688, 359	\$97, 908, 696
Other income.....	1, 427, 708	1, 135, 695
Other deductions.....	3, 963, 562	4, 365, 943
Net income before income taxes.....	142, 152, 505	94, 678, 448
Net income after income taxes.....	41, 443, 253	31, 898, 384
<i>Local carriers</i>		
Number of carriers represented.....	58	58
Total operating revenues.....	\$58, 079, 027	\$44, 323, 793
Total expenses.....	\$42, 113, 650	\$34, 089, 045
Operating ratio (percent).....	72. 5	76. 9
Net operating revenue.....	\$15, 965, 377	\$10, 234, 748
Other income.....	\$4, 919, 576	\$4, 692, 964
Other deductions.....	\$3, 381, 813	\$3, 274, 118
Net income before income taxes.....	\$17, 503, 140	\$11, 653, 594
Net income after income taxes.....	\$5, 511, 473	\$5, 003, 455

¹ Class I motor carriers are those having annual gross operating revenues of \$100,000 or over.

TABLE H.—*Revenues, expenses, and statistics of freight forwarders for the year 1943*¹

Item	Calendar year 1943
Number of forwarders represented.....	52
Operating revenues:	
Transportation revenue.....	\$188,998,933
Transportation purchased—dr.:	
Railroad transportation.....	105,295,249
Motor transportation.....	23,267,721
Water transportation.....	527,983
Pick-up, delivery, and transfer service.....	20,233,876
Other transportation purchased.....	1,243,800
Total transportation purchased.....	150,568,629
Forwarder revenue from transportation.....	38,430,304
Incidental revenues.....	775,622
Total operating revenues.....	39,205,926
Operating expenses:	
Salaries, wages, and expenses of employees.....	23,224,066
Paid to others for services rendered.....	5,625,317
Operating rents.....	1,126,596
Communications and postage.....	1,502,978
Payroll taxes.....	1,000,314
All other operating expenses.....	3,535,504
Total operating expenses.....	36,014,775
Income items:	
Revenue from forwarder operations.....	3,191,151
Transportation tax accruals.....	186,119
Revenue, less taxes, from forwarder operations.....	3,065,032
Other income.....	100,897
Total income.....	3,105,929
Miscellaneous deductions from income.....	444,124
Net income before fixed charges and income taxes.....	2,661,805
Fixed charges:	
Interest on long-term debt.....	1,276
Other fixed charges.....	21,521
Total fixed charges.....	22,797
Net income before provisions for income taxes.....	2,639,008
Provisions for income taxes.....	1,312,393
Net income.....	1,326,615
Statistics:	
Tons of freight received from shippers.....	5,064,622
Number of shipments received from shippers.....	21,136,509

¹ Confined to forwarders having gross revenues of \$100,000 or more per annum.

TABLE I.—*Selected statistics of private car owners,¹ year 1943*

Item	Refrigerator cars	Tank cars		Other cars ²	Total
		Petroleum	Other		
Cars owned at close of year.....	118, 431	125, 143	10, 834	13, 700	268, 108
Serviceable cars.....	115, 377	122, 964	10, 490	13, 564	262, 395
Unserviceable cars.....	3, 054	2, 179	344	136	5, 713
Miles made by owned cars: (thousands)					
Loaded.....	2, 087, 569	3, 026, 865	90, 452	53, 321	5, 258, 207
Empty.....	1, 303, 629	2, 959, 384	89, 768	52, 803	4, 405, 584
Not separable.....	182, 325	91, 102	23, 313	87, 417	384, 157
Total.....	3, 573, 523	6, 077, 351	203, 533	193, 541	10, 047, 948
Revenue receivable, on— (thousands)					
Car mileage basis.....	\$70, 817	\$34, 052	\$3, 253	\$2, 553	\$160, 675
Car rental basis.....	268	1, 966	192	1, 372	3, 798
Other car service basis.....	718	-----	227	26	971
Total.....	71, 803	86, 018	3, 672	3, 951	165, 444

¹ Confined to owners of ten or more cars. Compiled from reports of 258 owners.

² Includes such cars as stock, gondola, hopper, air dump, box, cradle, flat, vat, et cetera.

TABLE J.—*Selected financial and operating data of oil pipe-line companies, 1943, 1942, and 1941*

Item	1943	1942	1941
Miles of line operated:			
Gathering lines.....	42, 471	42, 318	41, 858
Trunk lines.....	66, 312	64, 167	63, 577
Investment in carrier property.....	965, 464, 043	\$918, 847, 714	\$885, 316, 742
Capital stock ¹	\$250, 012, 261	\$255, 134, 541	\$254, 614, 453
Funded debt unmaturred ¹	\$47, 053, 923	\$46, 092, 464	\$37, 906, 941
Accrued depreciation—carrier property.....	\$514, 864, 787	\$484, 558, 183	\$468, 447, 755
Operating revenue.....	\$276, 652, 251	\$245, 061, 060	\$251, 684, 772
Operating expenses.....	\$148, 447, 937	\$123, 506, 969	\$110, 448, 441
Pipe-line taxes:			
U. S. Government taxes.....	\$56, 402, 365	\$53, 475, 632	\$50, 042, 248
Other than U. S. Government taxes.....	\$9, 181, 772	\$9, 746, 241	\$9, 590, 488
Pipe-line operating income.....	\$62, 620, 177	\$58, 332, 218	\$81, 603, 595
Net income.....	\$61, 302, 265	\$56, 845, 245	\$79, 467, 898
Dividend appropriations ¹	\$24, 451, 706	\$20, 780, 234	\$83, 305, 301
Number of barrels of oil received into system.....	2, 080, 328, 022	1, 779, 859, 741	1, 638, 703, 424
Number of barrel-miles (trunk lines):			
Crude oil (thousands).....	393, 029, 547	346, 051, 162	324, 036, 547
Refined oils (thousands).....	60, 896, 435	38, 422, 658	26, 748, 661
Total employees:			
Average number.....	23, 442	23, 156	22, 352
Compensation.....	\$64, 661, 570	\$54, 448, 558	\$48, 016, 327

¹ Excludes data for 15 companies in 1943 and 1942, and 13 companies in 1941, as the annual reports filed by these companies relate to pipe-line departments of large oil companies and these items are not segregated for the pipe-line departments.

TABLE K.—*Revenue and traffic of carriers by water, 1943 and 1942*¹

Item	1943	1942
Freight revenue.....	\$61,472,191	\$59,529,298
Number of tons of revenue freight carried.....	51,396,621	53,944,230
Passenger revenue.....	\$11,792,324	\$8,849,726
Number of revenue passengers carried.....	12,052,882	9,527,835

¹ Compiled from quarterly reports of 95 carriers of classes A and B.TABLE L.—*Selected financial and operating data of electric railways, 1943, 1942, and 1941*

Item	1943	1942	1941
Miles of road operated.....	3,234	3,309	3,550
Investment in road and equipment.....	\$303,216,334	\$309,652,202	\$309,501,282
Capital stock.....	\$126,209,960	\$133,556,021	\$143,055,845
Unmatured funded debt.....	\$76,301,835	\$77,420,210	\$99,245,158
Accrued depreciation—road and equipment.....	\$43,829,155	\$43,004,676	\$41,127,879
Railway operating revenues:			
Freight revenue.....	\$35,188,327	\$31,691,969	\$26,213,505
Passenger revenue.....	\$42,345,935	\$28,893,758	\$19,860,145
All other revenues.....	\$7,928,092	\$7,037,329	\$5,622,719
Total railway operating revenues.....	\$85,462,354	\$67,623,056	\$51,696,369
Total railway operating expenses.....	\$61,668,969	\$48,651,270	\$42,620,359
Taxes assignable to railway operations:			
Other than U. S. Government taxes.....	\$2,314,421	\$2,027,537	\$2,023,297
U. S. Government taxes.....	\$5,782,087	\$5,856,436	\$2,761,735
Operating income.....	\$15,868,515	\$11,264,091	\$4,420,702
Net income ¹	\$8,092,929	\$4,574,076	\$1,944,824
Dividends declared.....	\$2,543,090	\$1,870,394	\$1,362,726
Employees:			
Average number.....	16,381	14,614	14,129
Compensation.....	\$35,226,620	\$27,613,630	\$23,446,383

¹ Deficits in italics.

APPENDIX D

AUTHORIZATIONS UNDER VARIOUS SECTIONS OF THE INTERSTATE COMMERCE AND TRANSPORTATION ACTS, AND LOANS UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

*Certificates of convenience and necessity for construction of lines of railroad under
section 1 (18) of the Interstate Commerce Act, as amended*

Name of applicant	Location of line	Miles
Atlantic Coast Line R. Co.....	Alachua County, Fla.....	0. 730
Baltimore & O. R. Co.....	Webster County, W. Va.....	3. 020
Do.....	do.....	7. 620
Buffalo & S. R. Corp. and Baltimore & O. R. Co.....	Clearfield County, Pa.....	. 760
Chesapeake & O. Ry. Co.....	Greenbriar County, W. Va.....	4. 000
Do.....	Boone County, W. Va.....	1. 800
Chicago & E. I. R. Co.....	Sullivan County, Ind.....	. 075
Chicago, R. I. & P. Ry. Co. trustees.....	Jefferson and Wapello Counties, Iowa.....	20. 720
Chicago, St. L. & N. O. R. Co. and Illinois Central R. Co.....	Muhlenberg County, Ky.....	4. 600
Fort Myers S. R. Co. and Atlantic Coast Line R. Co.....	Collier County, Fla.....	7. 000
Louisville & N. R. Co.....	Hopkins County, Ky.....	2. 600
Do.....	Muhlenberg County, Ky.....	3. 500
Missouri Pac. R. Co. trustee.....	St. Louis County, Mo.....	1. 000
Norfolk & W. Ry. Co.....	Pike County, Ky.....	10. 740
Do.....	do.....	2. 200
Southern Pac. Co.....	Sutter County, Calif.....	2. 900
Total number of miles.....		73. 265

	<i>Miles</i>
25 applications filed involving.....	152. 784
16 certificates issued authorizing.....	73. 265
2 applications denied in whole or in part.....	4. 400
2 applications dismissed involving.....	4. 500
Authorized since effective date of act.....	10, 276
Portion thereof actually constructed.....	7, 274
Portion thereof deferred or abandoned.....	2, 863
Portion in which time for construction has not expired.....	139

*Certificates of convenience and necessity for abandonment of lines of railroad or
the operation thereof, issued under section 1 (18) of the Interstate Commerce Act,
as amended*

Name of applicant	Location of line	Miles
Atlantic Coast Line R. Co.....	Decatur County, Ga.....	10. 350
Do.....	Alachua County, Fla.....	2. 090
Baltimore & O. R. Co.....	Webster, Randolph and Pocahontas Counties, W. Va.....	11. 200
Do.....	Lewis and Upshur Counties, W. Va.....	12. 800
Boston & M. R.....	York and Cumberland Counties, Maine.....	9. 720
Do.....	York County, Maine.....	17. 880
Buffalo & S. R. Corp. and Baltimore & O. R. Co.....	Jefferson and Clearfield Counties, Pa.....	4. 940
Canton & C. R. Co.....	Leake County, Miss.....	10. 750
Central Pac. Ry. Co. and Southern Pac. Co.....	Alameda County, Calif.....	1. 332
Chesapeake & O. Ry. Co.....	Fayette County, W. Va.....	1. 400
Chicago & N. W. Ry. Co. trustee.....	Delta and Alger Counties, Mich.....	24. 368
Chicago & N. W. Ry. Co. trustee and Chicago, M. St. P. & P. R. Co. trustees.....	Clinton County, Iowa.....	. 038
Chicago, B. & Q. R. Co.....	Johnson and Gage Counties, Nebr.....	32. 530
Do.....	Wayne, Decatur, Ringgold, Taylor, and Page Counties, Iowa.....	85. 000

Certificates of convenience and necessity for abandonment of lines of railroad or the operation thereof, issued under section 1 (18) of the Interstate Commerce Act, as amended—Continued

Name of applicant	Location of line	Miles
Chicago, R. I. & P. Ry. Co. trustees	Jefferson and Wapello Counties, Iowa	22.670
Colorado & S. E. R. Co.	Fremont County, Colo.	.716
Dansville & Mt. M. R. Co.	Livingston County, N. Y.	3.289
Denver & R. G. W. R. Co. trustees	Juab County, Utah	4.340
Do	Fremont County, Colo.	3.130
Do	Lake County, Colo.	6.730
Eastland, W. F. & G. R. Co.	Stephens County, Tex.	27.820
Fort Myers S. R. Co. and Atlantic C. L. R. Co.	Collier County, Fla.	23.000
Great Northern Ry. Co.	St. Louis County, Minn.	1.790
Gulf, M. & O. R. Co.	Bibb County, Ala.	12.710
Do	Monroe County, Miss.	8.770
Hampton & L. F. Ry. Co.	Elizabeth City County, Va.	3.000
International G. N. R. Co. trustee	Grimes and Madison Counties, Tex.	44.700
Kansas City S. R. Co.	Jasper County, Mo.	3.798
Lehigh Valley R. Co.	Lehigh County, Pa.	1.080
Do	do	1.440
Lexington T. R. Co., Atlantic Coast Line R. Co., and Louisville & N. R. Co.	Oglethorpe County, Ga.	1.430
Livestock T. S. Co.	Cuyahoga County, Ohio	(1)
Loyalsock R. Co. and Lehigh Valley R. Co.	Sullivan County, Pa.	3.440
Lykens V. R. & C. Co. and Pennsylvania R. Co.	Dauphin County, Pa.	.880
Manistee & N. E. Ry. Co.	Leelanau County, Mich.	10.710
Minneapolis, A. & C. R. R. Co.	Anoka County, Minn.	13.000
Missouri Pac. R. Co. trustee	Pettis and Benton Counties, Mo.	42.000
Missouri Pac. R. Co. trustee	St. Louis County, Mo.	1.017
Missouri Pac. R. Corp. in Nebr. trustee	Adams County, Nebr.	14.000
Do	Otoe, Johnson, Lancaster, and Saline Counties, Nebr.	58.100
Monongahela Ry. Co.	Fayette County, Pa.	.890
New York Central R. Co.	Chautauqua County, N. Y.	.130
Northern Pac. Ry. Co.	Deer Lodge County, Mont.	2.000
Oklahoma Ry. Co. trustee	Oklahoma, Canadian, Logan and Cleveland Counties, Okla.	64.400
Pennsylvania R. Co.	Cambria, Centre, and Clearfield Counties, Pa.	5.540
Do	Indiana County, Pa.	1.190
Pere Marquette Ry. Co.	Mecosta and Isabella Counties, Mich.	12.990
Do	Clare County, Mich.	16.580
Reading Co.	Northumberland County, Pa.	.044
Do	Schuylkill and Northumberland Counties, Pa.	3.875
Rio Grande & E. P. Ry. Co.	Webb County, Tex.	14.470
St. Louis & H. R. Co.	Marion, Ralls, and Pike Counties, Mo.	32.800
Seaboard Air Line Ry. Co. and receivers	Manatee County, Fla.	1.300
Southern Iowa Ry. Co.	Appanoose County, Iowa	2.630
Southern Pac. Co.	San Bernardino County, Calif.	3.093
Southern Pac. R. Co., and Southern Pac. Co.	Sutter County, Calif.	12.294
Texas & N. O. R. Co.	Fort Bend and Brazoria Counties, Tex.	5.838
Texas C. R. Co. and Missouri-Kansas-Texas R. Co. of Texas.	Comanche, Eastland and Callahan Counties, Tex.	41.870
Van Kirk, R. M. ² and Jacksonville, G. & G. Ry.	Alachua and Marion Counties, Fla.	33.000
Western N. Y. & P. Ry. Co. and Pennsylvania R. Co.	Monroe County, N. Y.	2.740
West Shore R. Co. and New York Central R. Co.	Onondaga and Madison Counties, N. Y.	5.700
Total number of miles		801.332

¹ Livestock loading and unloading facilities.

² An individual.

	Miles
72 applications filed involving	1, 173.179
61 certificates issued permitting abandonment of	801.332
13 applications denied in whole or in part	343.757
9 applications dismissed in whole or in part involving	103.605
Abandonments permitted since effective date of act	30, 773

Certificates of convenience and necessity for acquisition and/or operation of lines of railroads issued under section 1 (18) of the Interstate Commerce Act, as amended

Name of applicant	Location of line	Miles
Atlantic Coast Line R. Co.....	Alachua County, Fla.....	1. 800
Baltimore & O. R. Co.....	Webster, Randolph and Pocahontas Counties, W. Va.....	28. 390
Bush Terminal R. Co.....	Kings County, N. Y.....	13. 560
Canton & C. R. Co.....	Rankin, Madison, and Leake Counties, Miss.....	11. 950
Missouri-Illinois R. Co. trustee.....	Jefferson County, Mo.....	. 650
Strouds Creek & M. R. Co.....	Nicholas County, W. Va.....	8. 430
Total number of miles.....		64. 780

Miles

8 applications filed involving.....	51. 442
6 certificates issued involving.....	64. 780

Authorizations under section 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties

Acquiring carrier	Owning carrier	Miles	How acquired
Alton R. Co. trustee, Atchison, T. & S. F. Ry. Co., and Chicago, R. I. & P. Ry. Co., trustees	Joliet Union Depot Co.....	(1)	Revised operating contract.
Atchison, T. & S. F. Ry. Co.....	Chicago, R. I. & P. Ry. Co. trustees	3. 400	Trackage rights.
Atchison, T. & S. F. Ry. Co. and Chicago, R. I. & P. Ry. Co. trustees	Oklahoma Ry. Co.....	18. 780	Purchase and trackage rights.
Atchison, T. & S. F. Ry. Co. Colorado & S. Ry. Co., Denver & R. G. W. R. Co. trustees and Missouri Pac. R. Co. trustee	Pueblo U. D. & R. Co.....	3. 040	Revised operating contract.
Atlantic & E. C. Ry. Co.....	Atlantic & N. C. R. Co.....	94. 000	Lease.
Atlantic & St. L. R. Co.....	Canadian N. Ry. Co.....	15. 580	Purchase.
Atlantic C. L. R. Co.....	Moore Haven & C. Ry. Co.....	14. 000	Do.
Do.....	Washington & V. R. Co.....	39. 550	Do.
Baltimore & O. R. Co.....	Baltimore & O. & C. R. Co. (Ohio-Ind.), Baltimore & O. C. R. Co., Baltimore & O. R. Co. in Pa., Baltimore & O. S. W. R. Co., Baltimore & P. R. Co., Baltimore B. R. Co., Buffalo & S. R. Corp., Buffalo, R. & P. Ry. Co., Cheat Haven & B. R. Co., Cincinnati, I. & W. R. Co., Dayton & U. R. Co., Fairmont, M. & P. R. Co., Georgetown, B. D. E. & Ry. Co., Hamilton Belt Ry. Co., Indian Creek V. Ry. Co., Lancaster, C. & S. R. Co., Metropolitan S. R. Co., Pittsburg & W. R. Co., Que-mahoning B. R. Co., Schuylkill R. E. S. R. Co., Toledo & C. R. Co., Washington & W. M. R. Co., Washington County R. Co., Wheeling, P. & B. R. Co., Winchester & P. R. Co., Winchester & S. R. Co., and Bridge Co. of Foxburg		Modified operating agreements and original agreement with Bridge Co. of Foxburg.
Baltimore & O. R. Co.....	Strouds C. & M. R. Co.....	20. 830	Lease.
Baltimore & O. & C. R. Co. (Ohio-Ind.)	Baltimore & O. & C. R. Co. (Ill.)..	1. 670	Ownership of stock and purchase.
Boston & M. R.....	Wilton R. Co.....	15. 410	Purchase.
Do.....	Peterborough R.....	10. 640	Do.
Do.....	Nashua & L. R. Corp.....	14. 290	Do.
Buffalo & S. R. Corp.....	Buffalo, R. & P. Ry. Co.....	5. 610	Trackage rights.
Canadian N. Ry. Co.....	Atlantic & St. L. R. Co.....	165. 370	Modified lease.
Chesapeake & O. Ry. Co.....	Wheeling & L. E. Ry. Co.....		Ownership of additional stock.
Do.....	do.....		Do.
Chesapeake W. Ry.....	Chesapeake & W. R. Co.....	17. 730	Purchase.
Chicago & E. I. R. Co.....	Chicago, T. H. & S. E. Ry. Co.....	1. 520	Trackage rights.
Chicago, R. I. & P. Ry. Co. trustees.	Atchison, T. & S. F. Ry. Co.....	1. 900	Do.
City Lines of W. Va.....	Monongahela W. P. P. S. Co.....	78. 660	Purchase.
Delaware & H. R. Corp.....	Rensselaer & S. R. Co., Saratoga & S. R. Co., Albany & V. R. Co., and Rutland & W. R. Co.	192. 460	Merger, modified lease and assignment of leases.

*Authorizations under section 5 (2) of the Interstate Commerce Act, as amended,
involving railroad properties—Continued*

Acquiring carrier	Owning carrier	Miles	How acquired
Delaware, L. & W. R. Co.-----	Valley R. Co.-----	11.100	Ownership of stock and purchase.
Do-----	New York, L. & W. Ry. Co.-----	214.440	Merger.
Do-----	Lackawanna R. Co. of N. J.-----	27.440	Do.
Denver & R. G. W. R. Co. and Western Pac. R. Co. trustees.	Salt Lake City U. D. & R. Co.-----	(2)	Joint use.
Fort Worth L. H. Co.-----	Fort Worth S. Co.-----	(3)	Lease.
Great Northern Ry. Co.-----	Northern P. Ry. Co.-----	2.130	Trackage rights.
Grand Trunk W. R. Co.-----	Cincinnati, S. & M. R. Co.-----	51.640	Merger.
Illinois Central R. Co.-----	Chicago, M. & G. R. Co.-----		Modified lease.
Do-----	Southern I. & K. R. Co.-----		Do.
Do-----	Chicago, St. L. & N. O. R. Co.-----		Do.
Do-----	Dubuque & S. C. R. Co.-----		Do.
Do-----	Canton, A. & N. R. Co., Benton S. R. Co., Bloomington S. R. Co., Blue Island R. Co., Fredonia & R. R. Co., Herrin N. R. Co., Omaha B. & T. Ry. Co., St. Louis, B. & S. Ry. Co., South Chicago R. Co., and Golconda N. Ry.-----		Do.
Lehigh Valley R. Co.-----	State Line & S. R. Co.-----	27.670	Lease.
Little Miami R. C.-----	Columbus & X R. Co.-----	54.800	Merger.
Do-----	Dayton & W. R. Co.-----	36.700	Purchase.
Long Bell L. Co., and Long Bell L. Corp. ⁴	Willamina & G. R. R. Co.-----	9.000	Ownership of stock.
Louisiana & A. Ry. Co.-----	Yazoo & M. V. R. Co.-----	1.550	Trackage rights.
Maine Central R. Co.-----	Portland & O. Ry.-----	109.770	Purchase.
Milwaukee Livestock H. Co.-----	Milwaukee Stock Yards Co.-----	(3)	Lease.
New York Central R. Co. and Chesapeake & O. Ry. Co.-----	Nicholas, F. & G. R. Co.-----	9.300	Lease.
New York Central R. Co.-----	St. Joseph, S. B. & S. R. Co.-----	14.100	Purchase.
Do-----	Grand Trunk W. R. Co.-----	1.360	Trackage rights.
Nicholas, F. & G. R. Co.-----	Chesapeake & O. Ry. Co.-----	9.300	Purchase.
Oregon-Washington R. & N. Co. and Union Pac. R. Co.-----	Northern Pac. Ry. Co.-----	.545	Trackage rights.
Pacific Electric Ry. Co.-----	Southern Pac. R. Co.-----	7.490	Do.
Do-----	do-----	3.093	Purchase.
Pennsylvania R. Co.-----	Little Miami R. Co.-----	91.500	Ownership of stock.
Reading Co.-----	Catasauqua & F. R. Co. and Philadelphia & R. T. R. Co.-----	26.950	Merger.
St. Louis, B. & M. Ry. Co. trustee.	Gulf, C. & S. F. Ry. Co.-----	24.320	Trackage rights.
St. Louis S. W. Ry. Co. trustee.	Vicksburg, S. & P. Ry. Co.-----	1.220	Do.
Seaboard Ry. Co.-----	Florida W. & N. R. Co., Seaboard-All Florida Ry., and East & West Coast Ry.-----	395.520	Purchase.
Sioux City Term. Ry. Co.-----	Sioux City Stock Yards Co.-----	(2)	Lease.
Southern Ry. Co.-----	Atlanta & C. A. L. Ry. Co.-----		Modified lease.
Spokane, P. & S. R. Co.-----	Gales Creek & W. R. R. Co.-----	12.700	Purchase.
Staten Island R. T. Ry. Co.-----	Staten Island R. Co.-----	12.650	Merger.
Do-----	Baltimore & N. Y. Ry. Co.-----	5.300	Purchase.
Stockyards Service Co.-----	St. Joseph S. Y. Co.-----	(2)	Lease.
Terminal R. A. of St. L.-----	St. Louis B. Co., and Tunnel R. of St. L.-----		Ownership of stock.
Toledo & C. R. Co.-----	Bowling Green R. Co., Columbus, F. & N. R. Co., and Piqua & T. B. R. Co.-----	45.340	Merger.
Do-----	Cincinnati & D. Ry. Co.-----	11.320	Purchase.
United Stockyards Corp. ⁴	Stockyards Ry. Co., South San Francisco L. H. Co., Sioux City T. Ry. Co., Peninsula Term. Co., and Fort Worth L. H. Co.-----	(2)	Direct and indirect ownership of stock.
Do-----	Milwaukee L. H. Co., Fort Worth L. H. Co., and South San Francisco L. H. Co.-----	(2)	Direct ownership of stock.
Do ⁵ -----	Milwaukee Stock Yards Co., Fort Worth Stock Yards Co., and South San Francisco Union Stock Yards Co.-----	(3)	Purchase.
Wabash R. Co.-----	Missouri-Kansas-Texas R. Co.-----	69.750	Purchase.
Waterloo, C. F. & N. R. Co.-----	Waterloo, C. F. & N. Ry. Co.-----	96.540	Do.
Western Maryland Ry. Co.-----	Cumberland & P. R. Co.-----	49.14	Ownership of stock.
West Feliciana Ry. Co.-----	Louisiana & A. Ry. Co.-----	20.000	Purchase.
Yazoo & M. V. R. Co.-----	Baton Rouge, H. & E. R. Co.-----		Modified lease.

¹ Involves passenger station at Joliet, Ill.² Involves depot facilities at Salt Lake City, Utah.³ Livestock loading and unloading facilities.⁴ Holding company.⁵ Status of holding company terminated.

65 applications filed.

72 authorizations granted.

2 applications dismissed in whole or in part.

Authorizations issued under section 5 (2) of the Interstate Commerce Act, as amended, involving water carriers

Acquiring carrier	Owning carrier	Service	How acquired
Mississippi V. B. L. Co.....	Campbell T. Co.....	Ohio and Mississippi Rivers.	Lease.
Puget Sound T. & B. Co.....	Drummond L. Co.....	Puget Sound.....	Modified lease.

3 applications filed.
2 authorizations granted.
1 application dismissed.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20a of the Interstate Commerce Act, as amended

Stock, common:

For acquisition of property including equipment.....	\$1, 141, 600. 00
For construction of new lines, and for rehabilitation.....	350, 000. 00
For exchange for common stock.....	13, 868, 950. 00
For general corporate purposes (not segregated).....	20, 000. 00
For payment of advances.....	98, 500. 00
For reorganization.....	2, 298, 700. 00
For sale to meet unfunded debt.....	¹ 5, 485, 358. 487
	1, 045, 000. 00
Total.....	18, 822, 750. 00
	¹ 5, 485, 358. 487

Stock, preferred:

For reorganization.....	146, 501, 200. 00
For sale to meet matured funded debt.....	600, 000. 00
Total.....	147, 101, 200. 00
Total stock.....	165, 923, 950. 00
	¹ 5, 485, 358. 487

Bonds, collateral-trust: For sale to meet unmatured funded debt.....

30, 000, 000. 00

Bonds, income-mortgage:

For acquisition of property other than equipment.....	3, 932, 800. 00
For reorganization.....	165, 750, 393. 00
Total.....	169, 683, 193. 00

Bonds, mortgage:

For acquisition of property including equipment and for refunding purposes.....	3, 438, 000. 00
For acquisition of property other than equipment.....	25, 208, 200. 00
For additions and betterments (nature not fully specified).....	109, 000. 00
For exchange for common stock, for sale to acquire common stock, and for pledge.....	7, 860, 000. 00
For exchange for bonds previously issued.....	16, 178, 000. 00
For exchange for matured funded debt.....	55, 000. 00
For exchange for stock certificates.....	8, 700, 000. 00
For extension of matured funded debt.....	769, 000. 00
For payment of advances.....	7, 850, 000. 00
For pledge.....	184, 464, 000. 00
For reduction of interest rate and for modification of redemption features, etc.....	1, 000, 000. 00
For refunding purposes.....	5, 646, 000. 00
For reorganization.....	79, 212, 812. 00
For retention in treasury, subject to further order.....	24, 873, 000. 00

¹ Shares of stock without par or nominal value.

Bonds, mortgage—Continued.

For sale to meet matured funded debt.....	\$15, 000, 000. 00
For sale to meet unmatured funded debt.....	345, 269, 000. 00
Assumption of obligation and liability in respect of \$335,000,000.	

Total.....	725, 632, 012. 00
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Total bonds.....	925, 315, 205. 00
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Notes, collateral-trust:

For reorganization.....	24, 855, 000. 00
For sale to meet unmatured funded debt.....	10, 000, 000. 00

Total.....	34, 855, 000. 00
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Notes, secured:

For acquisition of equipment.....	26, 797, 786. 60
For general corporate purposes (not segregated).....	7, 910, 000. 00
For reorganization.....	4, 628, 338. 00
For sale to meet unmatured funded debt.....	45, 000, 000. 00

Total.....	84, 336, 124. 60
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Notes, unsecured:

For acquisition of equipment.....	1, 000, 000. 00
For acquisition of property including equipment.....	45, 000. 00
For acquisition of property other than equipment.....	8, 729, 000. 00
For construction of new lines and for rehabilitation.....	100, 000. 00
For sale to meet unmatured funded debt.....	6, 950, 000. 00
Assumption of obligation and liability in respect of \$8, 596, 900.	

Total.....	16, 824, 000. 00
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Total notes.....	136, 015, 124. 60
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Equipment obligations:

Assumed by carriers.....	79, 882, 000. 00
Assumption of obligation and liability in respect of \$19, 362, 000.	

Certificates of deposit:

For acquisition of property other than equipment.....	20, 412, 000. 00
For exchange for common stock.....	6, 740, 000. 00

Total.....	27, 152, 000. 00
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Notes, trustees: For acquisition of equipment.....	23, 434, 112. 54
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Grand total securities.....	{ 1, 357, 722, 392. 14 15, 485, 358. 487
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¹ Shares of stock without par or nominal value.

131 applications filed.

121 applications approved.

1 application denied.

2 applications dismissed.

*Status of outstanding loans under section 210 of the Transportation Act, 1920,
as amended*

PRINCIPAL AND INTEREST IN DEFAULT ON OCTOBER 1, 1944

Carrier	Principal	Interest
Alabama T. & N. R. Corp.....	\$151,500.00	\$95,445.00
Des Moines & C. I. R.....	633,500.00	615,666.34
Fort Dodge, D. M. & S. R. Co.....	200,000.00	
Gainesville & N. W. R. Co. ¹	75,000.00	
Georgia & F. Ry. Co., receiver.....	792,000.00	712,800.00
Minneapolis & St. L. R. Co.....	1,382,000.00	
Missouri & N. A. Ry. Co. ¹	3,500,000.00	
Salt Lake & U. R. Co. ¹	872,600.00	
Seaboard Air Line Ry. Co.....	14,438,827.01	9,791,460.79
Seaboard B.-L. Co.....	347,550.22	
Virginia S. R. Co. ¹	38,000.00	
Waterloo, C. F. & N. Ry. Co.....	1,260,000.00	1,648,455.71
Total.....	23,690,977.23	12,863,827.84

¹ Assets of these carriers have been completely liquidated, and were insufficient to meet these claims.

*Certificates issued in settlement under section 204 of the Transportation Act, 1920,
as amended January 7, 1941*

Carrier	Amount
Tremont & Gulf Ry. Co.....	\$21,296.92

*Claims pending under section 204 of the Transportation Act, 1920, as amended
January 7, 1941*

Arcata & Mad River R. R. Co.
Rock Island Southern Ry. Co.

APPENDIX E

RAILROAD COMPANIES IN REORGANIZATION (OR RECEIVERSHIP) PROCEEDINGS

Proceedings under Section 77 (Chapter VIII):	<i>Mileage operated 1943</i>
Akron, Canton & Youngstown Railway Company ¹ -----	171
Alabama, Tennessee & Northern Railroad Corporation ¹ -----	218
Alton Railroad Company-----	959
Boston & Providence Railroad Corporation ² -----	-----
Boston Terminal Company ³ -----	-----
Central of Georgia Railway Company-----	1, 816
Central Railroad Company of New Jersey-----	655
Chicago & North Western Railway Company ¹ -----	8, 101
Chicago, Indianapolis & Louisville Railway Company-----	541
Chicago, Milwaukee, St. Paul and Pacific Railroad Company-----	10, 742
Chicago, Rock Island and Pacific Railway Company-----	7, 751
Denver & Rio Grande Western Railroad Company-----	2, 398
Duluth, South Shore and Atlantic Railway Company-----	577
Florida East Coast Railway Company-----	682
Fonda, Johnstown & Gloversville Railroad Company ¹ -----	20
Georgia, Florida & Alabama Railroad Company ^{4 5} -----	-----
Hoboken Manufacturers' Railroad Company-----	9
Meridian and Bigbee River Railway Company-----	50
Middletown & Unionville Railroad Company-----	14
Minneapolis, St. Paul & Sault Ste. Marie Railway Company ¹ -----	4, 277
Missouri Pacific Railroad Company-----	10, 160
New Jersey & New York Railroad Company-----	39
New York, New Haven & Hartford Railroad Company-----	1, 838
New York, Ontario & Western Railway Company-----	545
New York, Susquehanna & Western Railroad Company-----	120
Rutland Railroad Company ⁴ -----	407
St. Louis-San Francisco Railway Company-----	4, 666
St. Louis Southwestern Railway Company-----	1, 607
Tampa Northern Railroad Company-----	8
Western Pacific Railroad Company-----	1, 195
Yosemite Valley Railway Company-----	79
Wisconsin Central Railway Company ^{4 6} -----	-----
Receivership proceedings (steam railroads):	
California and Oregon Coast Railroad Company-----	14
Catonsville Short Line Rail Road Company ⁷ -----	-----
East and West Coast Railway ⁸ -----	-----
Florida Western & Northern Railroad Company ⁹ -----	-----
Georgia & Florida Railroad-----	408
Georgia, Florida & Alabama Railroad Company ¹⁰ -----	-----
Murfreesboro-Nashville Railway Company-----	15
Pittsburg, Shawmut and Northern Railroad Company-----	191
Rio Grande Southern Railroad Company ¹¹ -----	172
Rutland Railroad Company ¹⁰ -----	-----
Seaboard Air Line Railway Company (System)-----	4, 178
Seaboard-All Florida Railway ¹² -----	-----
Tallulah Falls Railway Company-----	57
Virginia & Truckee Railway-----	46
Waco, Beaumont, Trinity & Sabine Railway Company-----	41
Wisconsin Central Railway Company ¹⁰ -----	-----
Yreka Western Railroad Company-----	8
Receivership proceedings (electric railroads):	
Bellaire-Southwestern Traction Company ¹³ -----	-----
Chicago, Aurora & Elgin Railroad Company-----	112

See footnotes on page 147.

*Mileage
operated 1943*

The following receivership proceedings have been terminated since the last report:

Chicago, Attica & Southern Railroad Company ¹⁴	-----
Chicago, North Shore & Milwaukee Railroad Company	-----
Chicago, Springfield & St. Louis Railway Company	-----
Minneapolis & St. Louis Railroad Company	-----
New York & Greenwood Lake Railway Company	-----
South Dayton Railway Company	-----
Waterloo, Cedar Falls & Northern Railway Company	-----

¹ Proceedings terminated since last report.

² Owned mileage 62. Leased to Old Colony Railroad Company; operated by New York, New Haven & Hartford Railroad Company.

³ Owned mileage 13.

⁴ Proceedings instituted since last report.

⁵ Owned mileage 133. Leased to Seaboard Air Line Railway Company.

⁶ Owned mileage 976. Operated by Minneapolis, St. Paul & Sault Ste. Marie Railway Company.

⁷ Owned mileage 4, operated under a tonnage agreement. Included in lease of Philadelphia, Baltimore & Washington Railroad Company to Pennsylvania Railroad Company.

⁸ Mileage owned consists of way switching tracks only. Leased to Seaboard-All Florida Railway.

⁹ Owned mileage 233. Leased to Seaboard-All Florida Railway.

¹⁰ Now in Chapter VIII trusteeship (Section 77 proceedings).

¹¹ Controlled by Denver and Rio Grande Western Railroad Company.

¹² Owned mileage 162. Leased to Seaboard Air Line Railway Company.

¹³ Owned mileage 2.13. Operated by Co-operative Transit Company.

¹⁴ Now in Chapter X trusteeship.

APPENDIX F

STATEMENT OF APPROPRIATIONS AND OBLIGATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 1944

An Act making appropriations for the Executive Office and sundry independent * * * Commissions * * * for the fiscal year ending June 30, 1944, and for other purposes, approved June 26, 1943:

For 11 Commissioners, secretary, and for all other authorized expenditures necessary in the execution of laws to regulate commerce, including one chief counsel, one director of finance, and one director of traffic at \$10,000 each per annum, traveling expenses, et cetera:

General-----	\$2, 800, 000	
First Deficiency Appropriation Act 1944-----	60, 000	
		\$2, 860, 000

To enable the Interstate Commerce Commission to enforce compliance with section 20, and other sections of the Interstate Commerce Act, as amended by the act approved June 29, 1906, the Transportation Act, 1920 (49 U. S. C. 20), and the Transportation Act of 1940, including the employment of necessary special accounting agents or examiners, traveling expenses, et cetera:

Accounts-----		795, 000
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To enable the Interstate Commerce Commission to keep informed regarding and to enforce compliance with acts to promote safety of employees and travelers upon railroads; the Act requiring common carriers to make reports of accidents and authorizing investigations thereof; and to enable the Interstate Commerce Commission to investigate and test appliances intended to promote the safety of railway operation, as authorized by the joint resolution approved June 30, 1906 (45 U. S. C. 35), and the provision of the Sundry Civil Act approved May 27, 1908 (45 U. S. C. 36, 37), to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, inspectors, and for traveling expenses:

Safety of employees-----	\$520, 000	
First Deficiency Appropriation Act, 1944-----	45, 000	
		565, 000

For all authorized expenditures under section 25 of the Interstate Commerce Act, as amended by the Transportation Act, 1920, the act of August 26, 1937 (49 U. S. C. 26), and the Transportation Act of 1940, with respect to the provision thereof under which carriers by railroad subject to the act may be required to install automatic train-stop or train-control devices which comply with specifications and requirements prescribed by the Commission, including investigations and tests pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906 (45 U. S. C. 35), and including the employment of the necessary engineers, and for traveling expenses:

Signal and train-control devices-----	155, 000	
First Deficiency Appropriation Act, 1944-----	10, 900	
		165, 900

For all authorized expenditures under the provisions of the act of February 17, 1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto" (45 U. S. C. 22), as amended by the act of March 4, 1915, extending "the same powers and duties with respect to all parts and appurtenances of the locomotive and tender" (45 U. S. C. 30), and amendment of June 7, 1924 (45 U. S. C. 27), providing for the appointment from time to time by the Interstate Commerce Commission of not more than 15 inspectors in addition to the number authorized in the first paragraph of section 4 of the act of 1911 (45 U. S. C. 26), and the amendment of June 27, 1930 (45 U. S. C. 24, 26), including such legal, technical, stenographic, and clerical help as the business of the offices of the director of locomotive inspection and his 2 assistants may require, and for traveling expenses:

Locomotive inspection-----	\$493, 000	
First Deficiency Appropriation Act, 1944-----	45, 000	
To enable the Interstate Commerce Commission to carry out the objects of the Act entitled "An Act to amend an Act entitled 'An Act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof, by providing for a valuation of the several classes of property of carriers subject thereto and securing information concerning their stocks, bonds, and other securities," approved March 1, 1913 as amended by the act of June 7, 1922 (49 U. S. C. 19a) and by the "Emergency Railroad Transportation Act 1933" (49 U. S. C. 19a), including one director of valuation at \$10,000 per annum, one valuation engineer \$7,500 per annum, and traveling expenses:		\$538, 000
Valuation-----	600, 000	
First Deficiency Appropriation Act, 1944-----	50, 000	
		650, 000

For all authorized expenditures necessary to enable the Interstate Commerce Commission to carry out the provisions of part II of the Interstate Commerce Act and section 5, part I of the Interstate Commerce Act insofar as applicable to common carriers subject to part II (Transportation Act of 1940) including one director at \$10,000 per annum and other personal services in the District of Columbia and elsewhere; traveling expenses; supplies; services and equipment; not to exceed \$1,000 for purchase and exchange of books, reports, newspapers, and periodicals; contract stenographic reporting services; purchase (not to exceed eight), maintenance, repair and operation of motor-propelled passenger-carrying vehicles when necessary for official use in field work; not to exceed \$5,000 for the purchase of evidence in connection with, investigations of apparent violations of said act, * * * provided that joint-board members may use Government transportation requests when traveling in connection with their duties as joint-board members:

Motor-transport regulation-----	3, 100, 000	
First Deficiency Appropriation Act 1944-----	50, 000	
		3, 150, 000

For all printing and binding for the Interstate Commerce Commission, including reports in all cases proposing general changes in transportation rates and not to exceed \$17,000 to print and furnish to the States, at cost, report form blanks, and the receipts from such reports and blanks shall be credited to this appropriation:

Printing and binding.....	\$150, 000
Salaries and expenses, emergency: For necessary expenses, including traveling expenses to enable the Interstate Commerce Commission, for the purpose of promoting the national security and defense, to adopt measures for preventing shortages of railroad equipment and congestion of traffic, and expediting the movement of cars by railroadsthrough terminals, and related activities:	
National Defense.....	299, 000

Total.....	9, 172, 900
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Amounts obligated under appropriations for the fiscal year ended June 30, 1944:

General.....	\$2, 842, 082. 14
Accounts.....	400, 425. 89
Safety.....	560, 647. 17
Signals and train-control devices.....	165, 018. 32
Locomotive inspection.....	533, 909. 81
Valuation.....	608, 354. 28
Motor-transport regulation.....	3, 133, 263. 76
Printing and binding.....	119, 593. 00
National defense.....	273, 334. 53

Total.....	8, 636, 628. 90
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Unobligated balances of appropriations:

General.....	17, 917. 86
Accounts.....	394, 574. 11
Safety.....	4, 352. 83
Signal and train-control devices.....	881. 68
Locomotive inspection.....	4, 090. 19
Valuation.....	41, 645. 72
Motor-transport regulation.....	16, 736. 24
Printing and binding.....	30, 407. 00
National defense.....	25, 665. 47

Total.....	536, 271. 10
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Total.....	9, 172, 900. 00
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Statement of receipts from fees paid during the fiscal year ended June 30, 1944, as required by Sec. 313 of Public No. 212, Seventy-second Congress (5 U. S. C. 104a):

Certifying tariffs and records.....	2, 875. 20
Admission of attorneys to practice before executive departments and establishments.....	3, 810. 00

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